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West Europe Report

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20 February 1986

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POLITICAL

DENMARK

JORGENSEN: SDP WOULD SEEK TIES ACROSS CENTER AFTER ELECTION

Copenhagen BERLINGSKE TIDENDE in Danish 6 Jan 86 p 3

[Article by Ole Dall]

[Text] Cooperation across the center--even if there is "another majority." This is what a new Social Democratic government will aim at. This statement was made by the chairman of the Social Democratic Party during a heated political debate yesterday.

On the same day that the Gallup Institute showed a 'red majority,' the chairman of the Social Democratic Party, Anker Jørgensen, if anything, discountenanced the idea of using the said majority, during a heated political debate at Nyborg with Minister of Finance Palle Simonsen (Conservative Party) and Niels Helveg Petersen (Radical Liberal Party).

"When we again come into power, we shall endeavor to establish a cooperation across the center in Danish politics--even if 'another majority' would develop. The Social Democratic Party does not forget its point of departure, but we realize that it is expedient to establish a cooperation across the center," Anker Jørgensen said.

On the agreement across the center--the tax reform--the chairman of the Social Democratic Party stated, incidentally, that "the decisive basic principles will have to apply for some years." He admitted that "some years" was a broad term.

The debate among the three politicians concerned not only the present economic situation but also the more long-term objectives. Below, we shall discuss a few of the items dealt with during the heated debate at Nyborg Strand.

Social Democratic Party Has Decided to Keep Out of It

Palle Simonsen: "The political confrontation takes place in the shaping of the economic policy. It is most deplorable that the Social Democratic Party has decided to keep out of it. It would benefit the debate to ascertain that major advances have been made. The truth is that it is Anker Jørgensen's policy that collapsed in 1982--and this had to be put right."

Anker Jørgensen: "We do not hear much anymore about the co-operating representative government. The Social Democratic Party has not kept out of things. The truth is that the government has not attempted to include us in any actual negotiations. I admit that things go better in a number of areas, but the present economic climate is also better. From 1972 until 1982 the entire world experienced a crisis."

Tone Has Become Better

Niels Helveg Petersen: "Anker Jørgensen said that there is no longer any co-operation across the center. This, of course, applied especially during the first, hysterical phase of the period in which the Social Democratic Party was in opposition. Subsequently, the tone has become better, and it culminated in connection with the tax reform."

"Where the government and the Social Democratic Party reach agreements that do not include the Radical Liberal Party, things easily get bungled. This applies to the nationwide communications network for transmission of telecommunications, the real-interest tax agreement and the refugee agreement."

Palle Simonsen: "We have 140,000 more jobs in 1986 than we had in 1982. The rate of inflation is one fourth of that in 1982. The deficit of the state has dropped from 80 billion kroner to 14.5 billion kroner. This is most exceptional. The balance of payments deficit is not a problem that the government is able to escape, but it has not got out of hand."

Anker Jørgensen: "There is reason to take the balance of payments question more seriously than the Minister of Finance does."

"A new Social Democratic government will not present any unreasonable demands. We also find that a strict economic policy will have to be pursued, but there must be a solidary objective."

Social Democratic Party: Perhaps Election This Year

Niels Helveg Petersen: "It is easier for us to see the problems of the future once we have got our head above water. The society will have to be arranged in such a way that man will be able to keep up with things. That will mean increased self-government, certain forms of citizens' pay, and our future possibilities are entirely dependent on our learning to educate and reeducate ourselves."

Anker Jørgensen: "I do not want to rule out the possibility of an election in 1986."

Palle Simonsen: "Regardless of any dream that Anker Jørgensen may have, there is no argument in favor of an election in 1986. The value of political stability should not be underestimated."

Niels Helveg Petersen: "Premature elections were a bad habit, if anything, at some point of time. About 18 months to 2 years after the election, the government went into a tantrum. Should an election take place now, it would serve no purpose."

POLITICAL

DENMARK

SOCIAL DEMOCRATS SEEN INCREASINGLY FRUSTRATING GOVERNMENT

Copenhagen BERLINGSKE TIDENDE in Danish 11 Jan 86 p 6

[Commentary by Carl Otto Brix: "Social Democratic Party Paralyzing Danish Political Actions"]

[Text] Groups within the large opposition party now see an opportunity to drive the government into a corner.

What is happening to the Social Democratic Party?

That question has been raised on numerous occasions since September of 1982, when the government of the country's largest party resigned.

For a short time--the party and many others felt, but things did not go that way. The nonsocialist government had come to stay. Contrary to many of its predecessors, it made it through one election and is deliberately aiming at becoming more than a brief interlude in political life.

However, it is obvious to everybody that the Social Democratic Party is making things too difficult for the government, and the situation with regard to the EC package has become critical.

It is, altogether, remarkable that it is in areas where the four government parties and the Social Democratic Party have jointly created the broad majority that things have come to a head.

The security policy has hitherto been the most conspicuous issue. Despite all attempts at a rapprochement, the distance between the government and the Social Democratic Party has become increasingly larger, which has greatly embittered the government, which claims that it is merely continuing the policy pursued by its Social Democratic predecessor. The government, however, remains in power, irrespective of all scientific prognoses.

Social Democratic Party at an Advantage in Tug-of-War

The Social Democratic Party is at an advantage in security policy matters, and the same thing applies, as far as the EC policy is concerned. It is not possible for the Radical Liberal Party to act as the rescuer, as it does in general economic policy matters. For the Radical Liberal Party is in the same situation as the Social Democratic Party: Approximately half of its regular voters are EC opponents.

As long as the Social Democratic Party is in government, things go fairly well. It is then that party which is in power and which gets the credit, and everything is then easier to accept for those elected as well as for the voters.

However, when the party is in opposition, the situation becomes entirely different.

The large party then loses control of things. It is difficult for it to maintain the internal discipline, which, when the party is in power, causes opponents to control their criticism. There is much more scope for rash actions; after all, why should Social Democrats support a government that it would gladly see the last of?

The balancing act is nearly impossible because the idea that it is, actually, not a question of cementing the government, but of bringing about its downfall, is bound to underlie most of the actions of the opposition.

Missing the Sweets of Power

This is particularly characteristic of the Social Democratic Party, which not only has a group of impatient former ministers who miss the sweets of power, but which also has a wing which will not make compromises but demands that a strictly Social Democratic line be followed and which believes that this is best done in cooperation with the Socialist People's Party rather than with the nonsocialists.

Things were difficult for Hans Hedtoft (in opposition from 1950 to 1953) and for Jens Otto Krag (in opposition from 1968 to 1971), but things have been especially difficult for Anker Jørgensen (in opposition from 1973 to 1975 and now from 1982 till ?). There are various reasons for this.

Anker Jørgensen does not possess the authority of his predecessors, nor does he wish to have it. He is every inch a democrat and is ready to yield loyally to the opinion of the majority. This commendable property, however, causes a lot of confusion, as a result of which the voters, in the end, have difficulty figuring out the position of the Social Democratic Party. As well as who it is who is speaking on behalf of the party.

Pari passu with the growing uncertainty about the position of the party, the party loses its credibility as an alternative government possibility. And Anker Jørgensen loses his credibility as an alternative government chief.

Party members such as Karl Hjortnæs and Jens Risgaard Knudsen have contributed to this state of affairs through their naive statements to the effect that they were unable to remain silent and were unable to agree to the actions that were about to be taken.

This applied to the tax reform, and the criticism that was voiced released one of the few instances of anger on the part of the party chairman. After all, it is possible to carry on frank and heated debates, but once a decision has been made, one has got to keep silent, even though one does not agree.

Once more, the impression was created that the party chairman did not have his support in order, and the same thing applies in connection with the EC issue. And he cannot, nor does he want to, use threats to get it in order.

Something apparently irreparable happened when, before the Christmas holidays, Anker Jørgensen went to South America to study democracy. He was not in sufficiently close contact with domestic events to keep entirely up to date.

Even if this is not the entire explanation, it, nevertheless, is one of the reasons why the situation today is unclear and the government and the Folkeeting have become paralyzed and are unable to take action.

Hard Work

The Social Democratic Party got Denmark into NATO, but developments are now such that the Social Democratic Party cannot support the defense cooperation the way it develops. The Social Democratic Party got Denmark into the EC, but developments now take such a course that the Social Democratic Party cannot support the EC the way it develops. Under a different government.

At any rate, not yet, despite suggestions from its stabilizing cooperation partner, the Danish Federation of Trade Unions. First, an endless number of questions will have to be answered satisfactorily, and the Social Democratic Party feels such contempt for the government that it will not be content with solemn statements from the Prime Minister and the Minister of Foreign Affairs. Indeed, they want for the EC Council of Ministers to confirm the statements made by the government.

I wonder if anybody has imagined how a nonsocialist opposition might use this against a Social Democratic government.

Anker Jørgensen yesterday told BERLINGSKE TIDENDE that the position of the party is not due to any desire to overturn the government, and he, probably, would not have that in mind either. However, I wonder if this is not the reason underlying some of the many critical statements made at the group meeting last Wednesday.

According to the opinion polls, the government parties will lose an election at this point, and this has probably encouraged the forces within parties which feel rootless without cabinet seats and which would welcome, or would not mind, for the Socialist People's Party to set the pace for a Social Democratic government.

Those who have lost their patience now see an opportunity, and it will be hard work persuading them to wait. The question is whether Anker Jørgensen, the positive European, has got the strength for it.

POLITICAL

FINLAND

USSR DEPUTY JUSTICE MINISTER CITES UNEASE OVER RELATIONS

Helsinki HUFVUDSTADSBLADET in Swedish 6 Dec 85 p 21

[Article by FNB's correspondent in Moscow: "Friendship Forces Weakening: Soviet Concern Now Even in Minister's Talk"]

[Text] The Soviet Union expressed on Thursday officially its concern in regard to the Finnish forces that are responsible for the weakening of the friendship with the Soviet Union.

In a talk at the traditional friendship festival in Moscow preceeding the Independence Day of Finland Deputy Minister of Justice Nikolai Osetrov said Thursday night that "we cannot avoid mentioning that the Soviet Union shares the concern of the Finnish democratic and political circles that there are attempts to weaken and damage the unity of the Finnish democratic forces that form the basis of the foreign policy line, the goal of which is friendship with the Soviet Union.

Before that Osetrov had emphasized that in the Soviet Union the Finnish foreign policies are greatly appreciated and that President Mauno Koivisto has also emphasized their continuity.

Osetrov also stated that the Finnish-Soviet collaboration has often served as a model also for the international relations of other countries and their relations to the Soviet Union.

Osetrov did not write his speech himself. It probably originates from the Scandinavian Division of the Soviet Foreign Ministry or maybe even from the Central Committee.

The democratic forces that Osetrov is talking about are Finland's Communist Party, and the attempts to weaken and damage the party concerns the way the majority leadership has dealt with the party minority. The way this passage was formulated in Osetrov's speech, which otherwise was very friendly and followed the traditional course where traditionally the good sides of the relationship are emphasized, shows that the Soviet Union has carefully defined the borderline between the Finnish party and the leadership of Finland.

In the beginning of the now radical conflict within the Finnish Communist Party there was less specific talk about the fact that the development is having harmful effects on the foreign policies of Finland and the relations with the Soviet Union.

Now the foreign policy leadership of Finland is no longer held responsible, even indirectly, for the situation within the Communist Party.

Osetrov's speech is the first official reaction to the entire matter - it had earlier been commented on in the party organ PRAVDA, but now it has been expressed on a ministerial level that the development is considered alarming.

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POLITICAL

FINLAND

UN DELEGATION CONTINUES ABSTAINING IN AFGHANISTAN VOTES

Helsinki HUFVUDSTADSBLADET in Swedish 6 Dec 85 p 21

[Text] "Finland will continue to abstain in votes concerning Afghanistan," said Ambassador Erkki Kivimaki in Finland's presentation at the UN on Wednesday.

The ambassador who spoke at the Third Committee of the General Assembly stated that the situation in Afghanistan is one of the problems that affect the relations between the super powers. The issue on human rights in Afghanistan can be solved only within the framework of more extensive political and military solutions," emphasized Kivimaki.

In the UN the handling of the problem has all the time involved political disputes between the super powers and Finland has traditionally stayed outside disputes of this kind.

"We continue along this line and therefore Finland will abstain in Afghanistan votes," said Ambassador Kivimaki.

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POLITICAL

FINLAND

EDITOR COMPARES KEKKONEN, KOIVISTO AS PRESIDENTS

Helsinki HUFVUDSTADSBLADET in Swedish 8 Dec 85 p 9

[Text] Jansson: "Koivisto Not as Full of Ideas as UKK".

[Text] President Koivisto has not delivered new ideas and topics for the public debate the way President Kekkonen did. This statement was made by Chief Editor Jan-Magnus Jansson in an interview for ILTALEHTI yesterday. Jansson also wonders how certain it is that Koivisto will run in the 1988 election. Jansson himself definitely declines his candidacy.

In the interview, which was made by Editor Jalmari Torkka, Jansson praises parts of Koivisto's work that he considers "highly meritorious." "He has restored the parliamentary part of the governmental organization," says Jansson and adds that Koivisto has tried to keep away from the active leadership of the national politics.

UKK Presented Ideas

The criticism of Koivisto is more indirect. Jansson emphasizes that Kekkonen often in his talks brought up new ideas and thus kept the public debate going. "I have missed that with Koivisto."

"Several of our presidents have been spiritual leaders," says Jansson and mentions as examples Stahlberg, Kekkonen and Paasikivi. "Koivisto has not produced any topics for debate. Unless you consider the debate regarding the press, which has not been especially constructive," says Jansson.

In regard to how Koivisto would have managed as president if he would have had to experience a general strike, a government crisis and a parliament dissolution, Jansson replies: "The answer could be that he in such an atmosphere would not at all have been elected. The election of Koivisto is a product of the concensus politics. Therefore such a large part of the conservatives voted for a socialist".

Will Koivisto Run Again for Presidency?

Jan-Magnus Jansson believes in the interview that Koivisto's sense of duty will make him run again for presidency in 1988.

"But since Koivisto's way of thinking is hard for other people to follow, I am not at all sure that he will run for candidacy," adds Jansson, who thus refers also to "Koivisto's psychology."

"In such a situation the nonsocialists will hardly find a joint candidate," predicts Jansson, who thus emphasizes that he himself "absolutely not" will make himself available as a candidate.

Government Base

The government base is also discussed. Jansson believes that the Social Democrats especially in the event of a party leader change would be likely to place themselves in opposition. For the sake of parliamentarism a nonsocialist government would be good as an experiment, but Jansson indicates that a long-term nonsocialist government would not be anything to strive for.

"If consensus ceases, the Center Party will continue to hold the keys in its hands," says Jansson to ILTALEHTI.

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POLITICAL

ITALY

NATTA HOLDS 'VERY USEFUL' MOSCOW TALKS

PM310955 Milan L'UNITA in Italian 29 Jan 86 pp 2, 17

[Giulietto Chiesa dispatch: "PCI-CPSU Summit Ends: Natta-Gorbachev--'Very Useful Talks'"]

[Text] Moscow--There were a further 4 hours of talks between [PCI Secretary General] Alessandro Natta and Mikhail Gorbachev. The second meeting, which began at 1100--again the presence of a group of Italian journalists admitted to the CPSU general secretary's "conference room" in the Kremlin--took place in a cordial atmosphere and, as expected, broached virtually all the most important aspects of the international situation, from the "post-Geneva phase" and the positive expectations which the Reagan-Gorbachev summit created throughout the work to the problems of disarmament and the world's "hot spots," the areas of tension. The two interlocutors (on the Italian side Natta was accompanied by Gian Carlo Pajetta, Antonio Rubbi, and Renato Sandri, while Gorbachev was again accompanied by Vadim Zagladin and Andrey Aleksandrov) referred to the "great usefulness" of contacts such as those of the past 2 days, agreeing on the need for them to be more frequent.

In the evening there was an official dinner in honor of the Italian guests at the Kremlin, attended by, apart from the CPSU general secretary, Andrey Gromyko, Yegor Ligachev, Geydar Aliyev, Mikhail Solomentsev, Vitaliy Vorotnikov, Vikto Chebrikov, Barois Ponomarev, Vadim Zagladin, and Andrey Aleksandro. In other words, virtually the entire current Politburo, with the sole exceptions of Premier Rzhnev, Foreign Minister Shevardnadze, and Viktor Grishin.

The official speeches delivered on this occasion (another very significant procedural innovation, apart from the "exceptional" duration of the political conversations) are published on another page, but the one and atmosphere in which they were delivered, as well as their substance, bear witness to a particularly favorable climate and to the results of the conversations which were clearly mutually satisfactory overall. Alessandro Natta later confirmed this assessment when he met with Italian journalists again after the official dinner at the Kremlin.

"We believe," the PCI secretary general said, "that both yesterday's meeting and today's were very important. Today we discussed, on the basis of both

sides' assessments and opinions, the major issues facing mankind--peace, co-existence, detente, disarmament. We live in a world that is increasingly interdependent, in which stances may differ and conflict but in which there are issues that affect everyone.

"We examined at length the issues of disarmament," Natta continued, "with a positive reference to the USSR's latest proposals and with an examination of the stances of other international interlocutors. Of course, we did not go into elaborate technical details partly because--and I say this with a smile--we have no weapons. But we did reassert our support for every effort leading to a complete dismantling of U.S. and Soviet medium-range missiles in Europe and for the prospect of balanced and total disarmament." With regard to star wars, Natta said that "it is well known that on this issue there is a convergence of assessments between the two sides, which we reasserted," and went on immediately to add that Italian Communists "vigorously urge that resources and research be resolutely channeled into directions other than that of creating new weapons of destruction."

"Regional crises" were discussed at length during yesterday's conversation. Attention centered on two in particular, Natta said, "We illustrated and confirmed our well-known stances with regard to both the substance and the principles at stake." First, with regard to the Middle East, which is considered--there is a specific reference to it in Gorbachev's speech too--"one of the situations most fraught with dangers." There was discussion here of "ways and means of combating terrorism" and of the "need to find a solution to the underlying causes of the crisis by giving the Palestinian people a land and guaranteeing the Israeli state's security." Pajetta pointed out in this connection that during the conversation Gorbachev left no doubts about Soviet intentions in this regard, explicitly referring to the role played by the USSR at the time Israel was created ("We were among those who contributed to its creation").

But, of course, Natta explained, it is not our intention to summarize the entire conversation now. For one thing, "we took for granted what was already known about our mutual positions and proceeded further with their elaboration." Another of the key topics was Afghanistan. "Here," Natta said, "we reasserted our stances. We believe--and we said so--that neither revolution nor counter-revolution must be exported. We support the principles of every country's independence and sovereignty and its right to choose the forms of its own development. We believe that the 1979 intervention decision was a political error and, for our part, we urged a quest for political solutions." Somebody asked how Gorbachev reacted and Pajetta replied with a quip: "They did not seem surprised." Next Natta added that Gorbachev "set out the known Soviet stances," though "the need to find a political solution to the situation did emerge in the points made by the Soviet side" within the context of recent developments both in Kabul and in international forums.

Gian Carlo Pajetta returned to the subject of disarmament: "We said that while it is true that there is a military-industrial complex in the United States pressing for rearmament, it is also true that there are forces in Europe and the United States pressing in the opposite direction and that in the United

States too there are forces which understand that it is impossible to continue indefinitely along a line of rearmament." Gorbachev's reply, Pajetta said, was characterized by realism, when he said that "it is not a matter of optimism or pessimism," adding that "we would not have made such far-reaching proposals if we had believed that nobody would heed them."

Considerable prominence was also given to the topics of detente in Europe, linked with those of the expansion of economic cooperation between countries belonging to the two communities and to the two politico-military alliances. Some very significant convergences were noted in this regard.

Considerable coverage and prominence has been granted by the Soviet media to the PCI delegation's presence in Moscow. Yesterday morning PRAVDA published a large front-page photograph of the two delegations at the conference table. The "Vremya" newscast opened its evening programs yesterday and the day before with pictures of the Natta-Gorbachev meetings. "Friendship and frankness" seem to be the characteristic traits of this truly exceptional summit between the PCI secretary general and the CPSU general secretary, which has demonstrated the possibility and usefulness of a dialogue even when positions are different and even conflicting. This morning PRAVDA will publish the texts of the two speeches, while the PCI delegation will leave for Italy.

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CSO: 3528/66

POLITICAL

ITALY

GUERRA ON HISTORY OF PCI-USSR TIES

PM271940 Milan L'UNITA in Italian 26 Jan 86 (Special supplement) pp 24-25

[Adriano Guerra article: "USSR: Our Analysis in Its Impact With Reality"]

[Text] People often talk about Italian Communists' attitude toward the USSR as though for years and years, until the wrench made at the 16th congress, they simply repeated the same things. The fact is, however, that even though certain fundamental elements--recognition of the watershed role played by the October Revolution, first and foremost--are present as early as 1945 and remained in the PCI's documents almost in the same terms, there has been a succession of assessments and deliberations on an entire range of issues that cannot be dismissed along with the bureaucratic formulations that still dominated even in the fifties.

Nor were these assessments of secondary aspects of Soviet experience because they concerned matters of definite substantial importance, such as whether the Soviet model of socialism was valid for our country. In any case there is no doubt that the "blurring of the assertion of our autonomy," as Berlinguer called it, which occurred between the sixth congress of 1948 and the eighth congress of 1956 certainly stemmed partly, if not primarily, from the uncritical way in which the USSR was regarded for so many years. The identification here proposed of the sixth congress as the start of the phase of "blurring" of Italian Communists' political and theoretical formulations raises a both difficult and fascinating problem with which we must come to term, namely, our assessment at the fifth congress of 1946 or, rather, of the phase from the Salerno turning point through the birth of Cominform.

It was a time when the cold war was not only still to break out but not even considered inevitable and Europe--despite the presence of the British-U.S. armies in the West and the Soviet armies in the East--still seemed basically "a single whole" (as stated in the so often forgotten final document of the Yalta conference). Of course, the factors behind the rupture and the split that would later prevail were already there but it is significant that in his report to the fifth congress Togliatti adopted a stance against the "mistaken belief" that "in order to reassert itself as an independent nation" Italy should "speculate on the disagreements between the major allied powers." What was being proposed, in other words, was to work to prevent the breakup

of the antifascist coalitions from actually creating opposing political and ideological blocs. This is one of the roots of an entirely individual way of talking about the Soviet Union.

The report states that it is necessary to combat "preconceived hostility toward the USSR" and in fact to seek friendship and cooperation with the USSR. Nevertheless, Togliatti went on, "we believe that Italy should pursue a policy of friendship toward the USSR not for ideological but for national reasons."

Some very important statements about the USSR are also to be found in speeches at the fifth congress devoted to the issue of the relationship between democracy and socialism. "We want Italy too, like almost all the European countries, to march toward socialism" and we look toward the Soviet Union "as toward the start of a new kind of civilization." But marching toward socialism did not mean "doing the same as Russia": The Italian way to socialism (the formulation originated at the Florence organization's conference a few months later) proceeds from the assumption that there neither is or can be any conflict between democracy and socialism since "we are democrats inasmuch as we are not only antifascist but socialists and communists."

At the time these stances--which were not merely theoretical, since during the same period communists were participating in the coalition government and preparing to become joint authors of the constitution--coexisted with the exaltation not only--and justifiably--of the role which the USSR had earned through its crucial contribution to the victory against fascism but of every aspect of Soviet reality. So should the "Italian way" whereby it was intended to reach socialism via a gradual enlargement of democracy have led to an organization of society no different from the Soviet Union's? The fifth congress did not--and could not--give satisfactory answers to these and other questions.

It did, however, lay the foundations for an entirely new quest and approach. But then the cold war fell over Europe, and not only Europe, with the successive breakdown of the antifascist coalitions, Europe's division, and the creation of opposing "camps."

According to Togliatti's report to the sixth congress (January 1948) Italy's building of a system based on a new kind of democracy was hindered partly because "it would have prevented our country from being turned into the foothold for the criminal activity being conducted against the countries where a system of new democracy had been created and against the major country of socialism, the Soviet Union." These words marked another turning point, appearing as they did in the final "crescendo" and on account of the emphasis placed on the USSR.

Cominform was born in September 1947 and the Soviets and Yugoslavs leveled criticisms at the PCI and the PCF. These two parties were accused basically of having failed promptly to realize that the task was no longer to fight to keep the antifascist alliance standing but to acknowledge the reality of the cold war and of the need to align with the USSR to face up to the threat constituted by U.S. imperialism.

At the Cominform meeting Luigi Longo defended the PCI line (though this was not known at the time) and at the sixth congress Togliatti again reasserted that "the paths of development of the democratic movement in individual European countries cannot be the same." In fact (and this was also the case at the seventh congress in 1951) there was no longer any mention of "national paths" and the USSR and Stalin--these were the years of their most fervent cult--were spoken of with more and more repetitive and rhetorical formulas. The contradictions between the reality of the struggles of Italian Communists (who were during those same years strengthening their roots and representation in the country and fighting for democracy against the Centralist governments' threats of restoration) and their uncritical adherence to the USSR's stances--for instance, against Tito, against "revisionism," and against cosmopolitanism--certainly helped to explain the uncertainties and what Togliatti called the "duplicities" of that period.

When looking back over those years, however, it must be borne in mind that the threat of war was very real and that the USSR was not only a guarantee of peace for millions of people but also a bulwark of the liberation struggles at a time when the colonial empires were crumbling. It was in 1956 that, seizing the unique opportunity provided by the 20th [CPSU] congress, Italian Communists resumed an explicit discourse on the new, democratic, paths to socialism and adapted a new viewpoint on the USSR. The shock caused by Khrushchev's revelations was great. But within the PCI, primarily thanks to Togliatti, the issue of Stalin and his "cult" immediately became a broader issue concerning the USSR, the starting point for an analysis of the underlying reasons why it had been possible for such a serious process of decline to emerge from the democracy of the Soviets.

To the questions raised by Khrushchev, then by the Polish October [1956], and finally by the Hungarian crisis, the eighth congress gave answers which in many respects are still very valuable and relevant. The experiment in building set in motion by October was not viewed either as an uninterrupted chain of successes or as a terrifying series of mistakes and tragedies. But it was seen as a complex and new process which had its own rationality in the practical circumstances in which it took place.

In so doing we went beyond the limits of the "secret report" even if we acted out of a conviction that however serious and intolerable Stalin's mistakes and crimes were they did not cancel out the "enormous positive record" of the Soviet experiment. The 20th congress was then seen as proof of the fact that in any case the USSR had the ability and strength to remedy its own mistakes.

Togliatti himself, in the Yalta memorandum in 1964, admitted that the line of the 20th congress was encountering resistance and moving with inexplicable slowness. Nor was it just a matter of lagging behind as was noted at the 9th congress (1960) and above all at the 10th congress of December 1962 (the congress at which Togliatti and Pajetta argued against the Chinese position). What then came to be called the "international communist movement" then seemed to be dominated by disagreements and conflicts which were difficult to overcome. Togliatti tackled the problem by proposing, without success, a new view of internationalism with the formulas of "unity in diversity and autonomy"

and "polycentrism," and at the 11th congress (1966)--the first congress without Togliatti--Longo revived the proposal. But a new crisis was developing. The year 1968 exploded with the Czechoslovak events, raising increasingly worrying questions after the Soviet intervention.

The PCI's positions supporting the "Prague spring" and criticizing the Soviet intervention were clearly confirmed at the 12th congress (February 1969) in the speeches by Longo, Berlinguer, and Galluzzi. The PCI's independent positions were then reiterated at the 13th congress (1972) and the 14th congress (1975). But it was necessary to wait another few years until it was stated that "progress has not been made along the path laid down by the 20th congress." The firm statement dates from the 15th congress in March 1979 (thesis No 42) and marks a major change in the development of the PCI's positions. This is because it ended the phase of expectations and hopes opened by the 20th congress.

From that time--even if not everybody was aware of it--it became inevitable to raise the question of the inevitably regressive nature of the new phase in Soviet society at a time when the thrust toward reforms was halted. At the end of 1970 the warning bell was rung by the strikes in the Baltic which led to the ousting of Gomulka. In the USSR things grew worse from 1975 when, to face an increasingly difficult situation, the path of closed doors and ultra-conservatism was chosen with Brezhnev.

On the domestic front the phenomenon of dissidence exploded, but in Poland dissidence was represented by the majority of the population who gathered around Solidarity to call for radical reforms in the relationship between government and society. The reply was the proclamation of martial law, with Soviet support. In foreign policy ultraconservatism was reflected in a real crisis of political initiative. The result of this was the intervention in Afghanistan, the decision to deploy the SS-20 missiles, and in general resorting to "power politics." And yet just a few years previously the USSR had played a decisive role in supporting Vietnam's liberation struggle until victory was achieved.

What had happened? It was no longer possible to talk of "lagging behind" and "mistakes." "On the whole--it was stated in the chapter devoted to the countries following Soviet socialism in the document approved by the 16th congress (1983), the chapter on the fading of the propulsive thrust--it became clear that an authoritarian and rigid political and ideological model and concept of power not only damaged democracy and stifled social and ideological needs but ultimately hindered productive development. It was therefore a crisis of not just a question of lagging behind. A knot of contradictions was created which could either be unraveled, paving the way for real radical reforms of the system, or could produce decline and traumatic and even tragic splits."

Have these "dated" positions been overcome now that the USSR under Gorbachev has abandoned ultraconservatism, as everybody maintains? Positive changes have certainly already taken place and it is right to pay close attention to them. But is not the extraordinary validity of this diagnosis confirmed--while Gorbachev is overturning Brezhnev's SS-20 strategy, trying to find a political solution to the Afghan crisis, and talking of the need for great

reforms in the USSR's domestic life--by words which are reminiscent of those spoken at the 16th PCI Congress appearing today in PRAVDA in addition to evidence of the strong resistance which the very idea of changes is encountering?

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POLITICAL

NETHERLANDS

POLL SHOWS KOK PREFERRED OVER DEN UYL BY LABOR VOTERS

The Hague ANP NEWS BULLETIN in English 9 Jan 86 pp 3-4

[Text] The Hague, January 8--Dutch voters both inside and outside the Labour Party prefer former trade union leader Wim Kok to veteran party leader Joop den Uyl to lead the socialists into the elections, an opinion poll published today shows.

The poll, commissioned by the socialist VARA broadcasting association, revealed that 46 percent of Dutch voters felt Labour would book the best results if led by Kok while 18 percent favoured Den Uyl.

Twenty-nine percent of the respondents felt the leadership would make no difference. Among Labour voters 53 percent preferred Kok while 23 percent backed Den Uyl, the poll showed.

The poll also showed that the Christian Democrats are regaining ground earlier lost to Labour.

In an election the poll results would have given the Christian Democrats 50 seats in the 150-member second chamber, a gain of five since the September 1982 elections, while the Labour Party would win 56 seats, a gain of nine since 1982.

Majority Support

The Liberal Party, the junior partner of the Christian Democrats in the Lubbers administration, stands to win 27 seats, a loss of nine since the last elections, while the Democrats '66 Party would gain five seats, a loss of one since 1982.

The poll indicates that the Lubbers government could gain enough support in May's general elections to retain its majority in parliament.

Asked which politicians were the most trustworthy, 53 percent of those polled favoured Prime Minister Ruud Lubbers (CDA) followed by Kok, 46 percent.

Some way behind were Den Uyl, D'66's Hans van Mierlo, who caused a brief upsurge in his party's popularity with his decision to lead it into the elections, and Liberal leader Ed Nijpels, who scored 31, 25, and 20 percent, respectively.

High Turnout

The Interview Bureau which conducted the poll noted that Lubbers was more trusted amongst Liberal voters, gaining 75 percent against Nijpels' 45 percent.

Most CDA and Liberal voters favoured an ongoing centre-right coalition, with 64 percent of CDA voters and 75 percent of Liberal voters in support.

Interview said the elections were already a lively topic amongst voters, with some 90 percent of those polled pledging to cast their votes in May.

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POLITICAL

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COUNTRY TO JOIN Nordic PROGRAM AIDING 'FRONT LINE STATES'

Oslo AFTENPOSTEN, (Aftenposten) 11 Jan 86 p 4

[Article: "Expanded Cooperation With 'Front Line States'"]

[Text] Together with the other Nordic countries, Norway will participate in a far-reaching trade and aid agreement with the black states in southern Africa. The aim is to help the so-called "front line states" make themselves independent of trade with South Africa.

One element in the new program is urging Nordic firms to decrease trade with South Africa and to increase in turn trade with the 9 black front line states in the vicinity of South Africa. But first and foremost the program is about stimulating economic cooperation among the front line states so that they can tear themselves loose from the strong bonds of trade they currently have with South Africa.

Currently final details are being worked out for an agreement between Norway, Sweden, Denmark, Finland and Iceland. Plans call for a joint policy statement to be signed in Harare, the capital of Zimbabwe, at the end of January at a meeting with SADC, the economic co-operative organization for southern Africa. Reidun Brusletten, the Minister for Development Cooperation, will take part together with representatives from other Nordic governments.

This statement will form the policy basis for a specific trade program which will extend beyond traditional aid cooperation, Undersecretary Ole Lundin Saether of the Ministry for Development Cooperation said.

In the next few years SADC will become a big recipient of Norwegian aid. This year a Norwegian allocation of 150 million kroner has been earmarked for support of regional co-operative ventures within the SADCC group, with a view towards strengthening their economies and making them less dependent on trade with South Africa. It is thus this allocation that funds for the new support ventures will be from.

However this makes up only a small part of Norway's overall assistance to the front line states. This year it will amount to approximately one billion kroner, Undersecretary Saether stated.

Today Norway's imports from the front line states comprise only about one one-thousandth of total imports. Realistically speaking, prospects for expanded trade will be rather limited, in the short run, at least. What must first be done is better surveying prospects for specific cooperative ventures. In addition to sectors at which assistance is currently aimed, such as communications, telecommunications and energy expansion, it may be possible to bring in Norwegian and Nordic expertise from banks and business firms, for example, the undersecretary said.

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POLITICAL

NORWAY

ODD EINAR DORUM STEPPING DOWN FROM LIBERAL PARTY CHAIRMANSHIP

Oslo AFTENPOSTEN in Norwegian 13 Jan 86 p 4

[Article by Egil Wettre-Johnsen: "Made Decision a Few Days After Election: Dorum Retiring as Liberal Party Chairman"]

[Text] Odd Einar Dorum will retire as chairman of the Liberal Party at the party's national convention in Haugesund in April. On Friday the elections committee was formally informed that he did not wish to accept re-election, and over the weekend the Liberal Party's executive board was given information about the party chairman's position. Dorum has told AFTENPOSTEN that he decided to withdraw as far back as a few days after the party's defeat in the fall parliamentary election. However, Dorum's retirement was first known officially on Sunday, even if, according to Berit Nafstad Lyftingsmo, the chairman of the elections committee, Dorum's position has been clear for some time.

As far as AFTENPOSTEN can ascertain, Arne Fjortoft, the former Norwegian Broadcasting Corporation program secretary, is the leading candidate for the Liberal Party chairmanship. Lyftigsmo told AFTENPOSTEN that Fjortoft was named a leading candidate by members of the elections committee but that other candidates are also being reviewed.

The entire 11-member Liberal Party national executive board is up for election in Haugesund, and this means as well that vice chairman Dominikus Jordal and Eldbjorg Lower can be replaced. Furthermore Lower has said that she is not a candidate to succeed Dorum in the chairman's post.

Lyftingsmo has informed AFTENPOSTEN that the work of the elections committee will really get underway after the Liberal Party's reconstruction commission has made its presentation. This is expected some time this week.

"The new party leadership should be seen in relation to how the party addresses itself to reconstruction," she said.

As far as AFTENPOSTEN can ascertain, this means that in its personnel recommendations the elections committee will stress the fact that a majority in the party still wants to cooperate with the Labor Party or return to a non-socialist cooperative strategy.

Lyftingsmo did not wish to give an opinion as to whether there may be major changes in the party leadership but stressed that in earlier elections emphasis was placed on maintaining continuity.

Dorum told AFTENPOSTEN that he has no wish to be consulted in the election of the new party leadership. As far as cooperation with the Labor Party is concerned, he emphasized that this cooperation has been chosen after due consideration but that voters spoke in such a way that the party did not gain representation in Parliament.

Dorum has acted as the Liberal Party chairman for 4 years and was a member of Parliament for South Trondelag from 1977 to 1981.

As for future duties, Dorum told AFTENPOSTEN that from now until summer he wants to concentrate on his work as a social work professor at the Diakonhjem in Oslo.

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POLITICAL

NORWAY

MIDDLE PARTY LEADERS IN COALITION WOOED BY LABOR PARTY

Paper Cites Leader's 'Disappointment'

Oslo Aftenbladet in Norwegian 2 Jan 86 p 4

[Editorial: "Disillusioned Synnes"]

[Text] A new Christian People's Party politician feels "disappointed and disillusioned." This time it is Harald Synnes, the party's parliamentary leader. In several comments recently he has approached the opposition, particularly the Labor Party. He has expressed his disappointment that the Labor Party has not rapidly and willingly become an aid in crisis to the three party government.

During the many years of the minority governments under the Labor Party there was a watchword in the Christian People's Party that one should act in such a way that the government would not become unilaterally dependent upon a party of the left, Synnes claims. Therefore he has also wished for a more constructive position from the Labor Party than he has seen up to now. The Labor Party should do something else than stand on its main proposals and put forward its alternative budget, Synnes thinks.

At first there will certainly be some who will fall for Synnes' argument. Even if his statements seem to be more a sign of wanting to talk about something else than his own problems, it may seem that Synnes honestly and truly wants a greater degree of cooperation with the largest opposition party.

But his argument is built upon two incorrect conclusions. When it was possible to reach a broad agreement on many important matters under the Labor Party's minority governments, this was primarily because great emphasis was placed in these governments on finding solutions that would gather wide political support. In other words -- the Labor Party's minority governments drew the necessary conclusion from the fact that they did not have an independent majority behind them in the Storting. It was this conscious will to meet the Storting's majority that made possible broad political decisions, much more than that which may have come from internal watchwords of the Christian People's Party.

The Willoch governments have followed a very different practice. To be sure, it does speak like a minority government, but it acts as if it controlled an obedient majority in the Storting. In this way the government and its leader, Prime Minister Kare Willoch, have steered themselves into one crisis situation

after another. The example of the lottery is enough to demonstrate this. We can hardly see any reasonable explanation why this should become a question of to be or not to be for the government. But it did become so. And it was no less than the head of the government who wanted it so.

Nor is it correct, as the Christian People's Party's parliamentary leaders claim, that the Labor Party has stood stock-still on its main positions. Quite the contrary, time after time the Labor Party's leader, Gro Harlem Brundtland, has invited cooperation on the problems of the fall, among other things in connection with the budget. For the Labor Party it has been an important point that sufficient resources be found to meet the acute problems in the health and social sectors. Earlier statements by Harald Synnes have shown us that there is a common interest between the Labor Party and the Christian People's Party. But -- and for cooperative relationships in the Storting this is paramount -- there are parts of the government that have very different priorities.

Loyalty to Coalition Pledged

Oslo AFTENPOSTEN in Norwegian 7 Jan 85 p 3

[Article by Morten Malmo]

[Text] The parliamentary leaders of the Christian People's Party and the Center Party, Harald Synnes and Johan Buttedahl, indicated yesterday to VG that cooperation between the Labor Party and the two middle parties could become a reality if the "Storting chaos" continues in such a way that the coalition breaks apart. This move received great attention yesterday in political circles, not the least within the coalition. At the same time, however, the two told AFTENPOSTEN: "We want the present government to continue. We must fight for it and make a maximum effort to see that the cooperation is a success."

In political circles, however, doubt has been raised on the significance of the declarations of cooperation by the parliamentary leaders. It has been pointed out to AFTENPOSTEN that the two have continually rejected every form of closer cooperation with the Progressive Party, in the form of definite agreements and routine. "If they don't reach an agreement of a relationship with the Progressive Party, the political base will be torn away from the non-socialist government," it was maintained.

In yesterday's VERDENS GANG one could read this: "If the Storting's chaos of last fall continues over a longer period, it could tear apart the cooperation of the three parties and open the door to closer cooperation between the Labor Party and the two middle parties. The parliamentary leaders of the Christian People's Party and the Center Party have indicated this to VG."

Yesterday AFTENPOSTEN asked the Center Party's parliamentary leader, Johan Buttedahl, "It is at all possible today to discuss the possibilities of a governmental constellation other than the one we have today?"

"No. We wish the present government to continue, and we will fight for it. If this government is felled by the Labor Party, the Socialist Left Party, and the Progressive Party, the only alternative is a purely Labor Party government."

Two Points of View?

The Christian People's Party's parliamentary leader, Harald Synnes, answered this way to the same question: "I intend to refrain from planning other constellations as long as we are involved in binding cooperation. Our task is to make every effort to see that this cooperation is successful."

Buttedahl also added, "Let me also remind you of what I said about the Labor Party's wooers in the debate on balancing the budget, namely that one can get shills up one's spine from the criticism by some of the Labor Party speakers of the Center Party. I also want to take exception to the idea that there was chaos in the Storting last fall. There was a difficult parliamentary situation. That is correct. But 'chaos' is what the media call it."

The statements Buttedahl made to AFTENPOSTEN on this question agree very well with the viewpoints that Center Party chairman, Johan J. Jakobsen, the minister of transport and communications, said earlier.

Attracted Attention

Yesterday's article in VG attracted considerable attention in the political arena, not the least in government circles. It is worth noting that what the two parliamentary leaders "indicate to VG" was not confirmed by the two to AFTENPOSTEN.

If "indications" of closer cooperation with the Labor Party, which the two gave to VG, attracted interest in government circles, it is because those in the government have the best idea of the cooperation between the three governmental partners during last fall's budget negotiations. The greatest surprise is that the parliamentary leaders of two of the government parties apparently have suggested another governmental constellation than the present one they say they will fight for. Some question whether they could have said what VG attributes to them. It is said that it is not at all clear what Buttedahl and Synnes really mean.

Concerning the Progressive Party

The Christmas vacations have changed nothing in the attitude of the Christian People's Party and the Center Party toward closer cooperation in the Storting with the Progressive Party through definite agreements and routine.

"Such contact with the Progressive Party would be destructive for the middle parties. We must act in such a way that the Labor Party will also be challenged to cooperation and brought into the political process in the Storting. This requires flexibility, from the Conservative Party as well, in order to find solutions. A good indication that this is possible is the solution that the "freeze affair" received. What everyone thought would become a matter of conflict was solved when one showed flexibility," Synnes said.

Buttedahl said that if AFTENPOSTEN's wish in its editorial for a closer, routine cooperation in the Storting with the Progressive Party should be accepted in the Conservative Party, this could make daily cooperation more difficult. "We in the Center Party want a continued issue-to-issue cooperation with other parties in the Storting, and we do not want to give individual parties special treatment," Buttedahl said. He points out that the three government parties stood together behind the various agreements entered into with other parties during the fall session of the Storting.

Christian Party Rejects Courting

Oslo AFTENPOSTEN in Norwegian 10 Jan 86 p 5

[Text] The Christian People's Party's chairman, Kjell Magne Bondevik, has also rejected the latest political courting from the Labor Party. He says that such moves from that quarter to the middle parties are nothing new. Bondevik points out that The Christian People's Party has decided that it will profit best within the cooperation it now stands. He stresses that "Everyone must now hold to the constellation we have today."

In a commentary to the party's press service, the chairman of the Christian People's Party said, among other things, about the invitation from the Labor Party leader, Gro Harlem Brundtland, "There is nothing new in invitations from the Labor Party to the middle parties for cooperation. It has happened at regular intervals under various party leaders. The new element is that they choose to do this while we are sitting in governmental cooperation.

"The Christian People's Party has evaluated the situation and believes it profits best from its present cooperation. This was our message to our supporters before the Storting elections, and we obviously are not going to run away from this afterwards.

"The most interesting thing in the statements of the Labor Party's leader is that they indicate a softening of a solid, political block way of thinking. But nothing has been said this time either about the political factors behind this. Probably not even the Liberal Party, which reacted positively to the Labor Party's earlier invitations to cooperation, received an answer on this," Bondevik said.

Bondevik stressed:

"Everyone must remain in the constellation we have today.

"We are involved in a broad cooperation in the Storting on important and difficult issues. The Labor Party will have the opportunity here to show in practice whether the open, cooperative attitude it now is presenting contains a more constructive attitude toward work with difficult matters, or whether it is rather out to sow discord among the government parties."

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POLITICAL

SPAIN

SPECULATION ABOUNDS ON CASE OF 'MISSING' SOVIET SCIENTIST

Madrid TIEMPO in Spanish 9 Dec 85 pp 95-101

[Article by Ahmad Rafat: "The Missing Russian Scientist Was a Double Spy"]

[Text] He disappeared without a trace in Madrid on 31 March, but his country's authorities did not report him missing until 17 July. TIEMPO's investigations into alleged Soviet scientist and mathematician Vladimir Alexandrov suggest that he could be a spy.

The rush of events that have thrown the world of espionage and secret services into turmoil in recent months began in Madrid. Particularly hard hit have been the FRG, the United Kingdom, France, Switzerland and the United States, in addition, of course, to the USSR and other Eastern bloc countries. Many important agents, low- and middle-level informers, secretaries who were the mistresses of spies, and colleagues of major political figures defected or escaped from their countries during the summer of 1985.

In a few months' time Eastern and Western secret services saw many of their men and women have their covers blown, including more than a few top-level figures such as the West German Hans Joachim Tiedge, a high-level Bonn counterespionage officer, or Vitaly Yurchenko, the number five man in the KGB.

Until now many thought that the spy capers began with the mysterious disappearance of Yurchenko. Arriving in Rome on 24 July on a regular Aeroflot flight from Moscow, Yurchenko was officially supposed to take care of some security details at the Abamalek villa, the site of his country's embassy in Italy. According to sources in Italian military security (SISMI), however, Yurchenko had actually arrived in Rome to investigate the case of Soviet mathematician Vladimir Alexandrov, who had vanished mysteriously in Madrid. Yurchenko disappeared himself, however, no less mysteriously, on 1 August in the Vatican museums. According to the account that Yurchenko himself later gave at a lively press conference in the Soviet Embassy in Washington on 1 November, he took a taxi at 0900 hours on 1 August to the Vatican museums for an innocent tourist visit. There, again according to his account, which the aforementioned sources in the Italian secret services partly confirmed, he was approached by CIA agents, who hustled him into a car with diplomatic license plates that was waiting in Saint Damaso Square just below the papal apartments. According to the same account, Yurchenko left Rome the following

day on an American passport, in the company of three CIA agents, on a nonstop TWA flight to Virginia.

With regard to the difficult mission that Vitaly Yurchenko was supposed to perform, namely, clarifying the disappearance of mathematician Vladimir Alexandrov, two hypotheses have been formulated so far: he either fled to the West or was kidnapped by a NATO intelligence service. After lengthy investigations this magazine has established a series of facts that paint a new picture of the young Soviet scientist who vanished into thin air in Madrid on the night of 31 March-1 April and whose disappearance was not reported by Soviet consular authorities until 17 July, in other words, almost 6 weeks later.

A Far From Responsible Scientist

The story of Alexandrov's supposed flight and disappearance began in Cordoba. He had gone there on an invitation from the Cordoba city hall to take part in the second conference on nonnuclear cities and zones. Several Soviet scientists had been invited to attend, but Moscow sent only Vladimir Alexandrov, who in fact arrived late. "The conference began just fine," the communist deputy mayor of Cordoba, Herminio Trigo, relates. "The only person who did not perform was Alexandrov. He showed his face very seldom; he seemed to be a very secretive fellow. He did not even hang around with some of his scientist friends, like Mike Pentz from England or Ronald Santoni from the United States. He submitted a very interesting written paper but did not take part in any discussions. He said that he was a scientist and that discussions were for politicians."

The paper that Alexandrov submitted in Cordoba was in English and dealt with nuclear winter. The alleged scientist spent most of his time in the Andalusian city drinking. "One night," Herminio Trigo goes on to say, "some municipal guardsmen who had found him in the most disreputable part of the city took him back to his lodgings." For two straight nights Alexandrov failed to return to the building in which the conference organizers had set up dormitories for the participants. "His conduct worried us," the deputy mayor says in conclusion, "so much so that we phoned the Soviet Embassy in Madrid to ask for an explanation and advice."

The conference closed early on the evening of 31 March, and Alexandrov was immediately driven to Madrid in a city hall vehicle. From the embassy he was accompanied to the Habana Apartments at 73 Habana Boulevard, where he took room 614. His passport, his return plane ticket and some personal effects were found here later. "He wasn't with us for long," says the concierge at the apartment building. "He arrived and went right up to his room, and then he left a little later and never came back. They called him several times from the Soviet Embassy the next day. We got worried after a few days and we notified the embassy, which sent people to remove his things. A lot of Soviets have been sent to stay here from the embassy, but nothing like this ever happened before."

After leaving his room at the Habana Apartments, Alexandrov initially walked over to a local bingo parlor but was not allowed in. The doorman there still remembers him clearly. He says that they asked the Soviet to leave because he was "completely bombed." Vladimir Alexandrov then walked several hundred meters to the El Yate Bar on Martinez Campos Street. There he was seen for the last time before vanishing for good.

Neither the Spanish police nor Soviet Embassy officials in Madrid have made any inquiries at El Yate. "I can't even explain it to myself," says Eduardo, the manager there, "because the first person who came and asked me questions was an Italian on 13 September. No one was here before him to ask about the drunk Russian."

The Last Few Hours in Madrid

Alexandrov walked into El Yate at around 7 in the evening and downed three whiskies, one after the other. "After the whiskies," Eduardo relates, "we gave him two strong cups of coffee, because he couldn't stand up, and then we called a taxi to take him to his hotel."

The waiter who served Vladimir Alexandrov at El Yate remembers him as an already drunk, somewhat sloppily dressed man who was constantly talking with everyone, including the other customers. We came across a customer in the bar who spends all of his evenings there and who remembers having seen Alexandrov walk down Miguel Angel Street and talk in English with some shopkeepers. This witness, who has declined to reveal his name, then says that he entered a cafe on the corner of Martinez Campos Street and ordered "Spanish wine." Since that time around 10 in the evening on 31 March, no one has seen Vladimir Alexandrov again.

There are some very odd circumstances surrounding the Alexandrov affair, circumstances that had until now remained unknown to both the public and the police, which for some reason chose not to conduct a step-by-step investigation into Alexandrov's last hours in Madrid.

To begin with, the Soviet scientist was carrying a second Soviet passport in his pocket. Although a passport was, in fact, found in his room at the Habana Apartments, it is also true that several people, including the manager at El Yate, saw a Soviet passport in his pocket. It is not normal for a Soviet citizen to travel with two Soviet passports. This would not be a mystery if Vladimir Alexandrov were something other than a mathematician, a secret agent for example. According to the Italian consular service in Moscow, it turns out that Vladimir Alexandrov, unlike normal Soviet citizens and, in particular, unlike the other scientists, did not have a "closed" passport that was valid for only one trip overseas; he had an "open" passport that enabled him to travel abroad without any restrictions. Usually, only CPSU and State officials and KGB agents carry this kind of passport.

False Identification

Another interesting piece of information is that the famous "mathematician" was carrying not just pesetas in his pockets but also other foreign currencies such as dollars, Swedish krona and Dutch guilders. And it was Alexandrov himself who showed them to the waiters at El Yate. The impression is that Alexandrov wanted to drop clues all over Madrid, like in a bad spy novel.

Vladimir Alexandrov made his debut in international scientific circles in 1983 as the head of the Soviet scientific delegation to the first international conference on nuclear war in Erice, Sicily. He was supposed to have returned there this past summer, but in the interim he vanished into thin air. In Erice he was introduced by Soviet Embassy officials in Rome as the young director of the laboratory that the Soviet Academy of Sciences used for its computer simulation programs. Alexandrov's name does not appear in the latest edition of the directory of Soviet scientists, which is published every 2 years.

Leonid Plikhusk is undoubtedly one of the most famous Soviet mathematicians. For some years now he has been living in exile after having spent several years in a camp in Siberia. Today, he keeps in touch with Soviet scientists through dissident channels. This magazine asked Plikhusk about his "colleague" Alexandrov. After consulting with some of his sources inside the Soviet Union, he confirmed that until 1983 no one had heard of Alexandrov and that he was not in charge of any Academy of Sciences research center. "Precisely for this reason," Plikhusk says, "on his last trip to Cordoba all of the other members of the delegation withdrew at the last minute, refusing to be part of a delegation led by an official whom the Soviet Government wanted to pass off as a world famous mathematician."

Recognition in the United States

It is odd that the only scientists who were quite familiar with Vladimir Alexandrov and accepted his credentials as a renowned scientist are Americans. One of his main supporters, who says he is also a friend of the "young Soviet researcher," is Professor John Wallace, who teaches at the University of Seattle. After locating him in the United States, TIEMPO asked him over the phone what he thought of the theory that Alexandrov was a KGB spy. "Anything is possible, of course," Wallace replied. "But I remember him as a likable young scientist."

The oddest thing of all, however, is that on 17 July of this year, the day that the Soviet authorities asked the Spanish police to search for Vladimir Alexandrov, 3 months after his disappearance, a short article signed by Ted Agres appeared in THE WASHINGTON TIMES about the missing member of the Soviet Academy of Sciences. Aside from Alexandrov's false credentials as a member of the academy, the Americans have not yet explained how they learned of his disappearance before Soviet officials reported it. The answer could be that the mathematician-spy has moved over from the KGB to the CIA. Otherwise, none of the mysteries can be explained. Nor is there an explanation as to why the Spanish police and secret services have devoted so little attention to a baffling disappearance that has so many far from reassuring overtones.

POLITICAL

SPAIN

RADICALIZATION OF MELILLA MUSLIMS RECOUNTED

Madrid TIEMPO in Spanish 2 Dec 85 pp 38-42

[Article by Juan Enrique Gomez: "Melilla Experiencing the Tension of Racism and the Moroccan Threat"]

[Text] More than 20,000 Melilla Muslims, who are not Moroccan but are not regarded as Spaniards either, have mobilized to protest the Aliens Act, which if passed will trigger an unprecedented exodus. If their political rights are recognized, the Party of Melilla Democrats will become the arbiter of local politics.

Melilla is a 12,000 square kilometer jail housing more than 20,000 people who cannot leave either for Morocco or the Peninsula. They are stateless Muslims, neither Moroccan nor Spanish; more than half are undocumented, though some have statistics cards. According to Terra Omnium (land of all), the association that defends the rights of Muslims, there are close to 30,000 people who ought to be recognized as Spanish citizens with full rights and duties.

"This is how it ought to be, just as the constitution states," says Aomar Muhamed Dudu, the association's founder and leader, the only Melilla Muslim with a college education and a member of the Provincial Executive Committee of the PSOE until he was expelled for demanding Muslim rights.

This grievance apparently clashes, however, with the new Aliens Act, which will take effect as of this February and which, according to the government delegate in Melilla, Andres Moreno Aguilar, "will solve the problems of the Muslim people."

As far as the Spanish Government is concerned, according to Andres Moreno, there are 6,200 Muslims in Melilla with statistical cards. This Spanish legal document exists only for Ceuta and Melilla and allows the holder to live only in these cities; they cannot travel to the rest of Spain. Another 6,000 persons, underage children, are covered by their parents' cards. Some 2,000 Muslims have identification cards like any other Spaniard. And there are 4,000 undocumented individuals whom the government delegate prefers to describe as having "other statuses."

These figures, especially the last one, increase considerably if we add in the 8,000 Moroccans who cross the border every day to do business in Melilla. The Aliens Act will have to deal with this large number of people.

"The problem has arisen," says Andres Moreno, "because certain self-proclaimed leaders of the Muslim community would like to distort the real intentions of the government and claim that we want to expel them under this law. The only thing that we're going to ask them to do is comply with the requirements that the law establishes." In this regard, the government delegate sent a note to the news media in which he explained to Muslims why they should avail themselves of the new law as a first step towards obtaining citizenship.

Negative Reaction

The reaction of the Muslim community was not long in coming. Their leader, Aomar Dudu, asserts that "the government delegation is not showing good will, and proof of this is that nothing has been done to reestablish the territorial law [ley de suelo], which the UCD abolished just months before the Socialist victory. Moreover, the city government has refused to issue residency papers to Muslims since the appearance of the Aliens Act, and the mayor is following these orders because he wants to obey."

Gonzalo Hernandez, the mayor of Melilla, feels that the law should have been enacted long ago, "specifically in 1956," he says, "when Spain abandoned its protectorate. This way we would not have all the regrettable situations that are arising today among the Muslim population." Gonzalo Hernandez feels that it is more important to document these individuals than to nationalize them.

Other organizations, such as APROME [Pro-Melilla Association], which the Muslims regard as highly racist, feel that the Aliens Act will be a valid means of solving the problems of the Muslim community. "Even though a great many people will have to be expelled from Melilla," says Juan Diaz de la Cortina, the organization's secretary general, "we can assert that there are 3,000 Muslims in Melilla with national ID cards, but many of them are listed as being born in both Melilla and Nador. This is why an investigation is needed." APROME and the Melilla Nationalist Party, which the association founded, have both supported the government delegate's positions so far.

On 9 November, 500 members of the Muslim community held an assembly, which the government delegation had banned, to discuss the Aliens Act and the promise that Melilla Muslims could become naturalized citizens if they met the requirements in the Civil Code. The National Police surrounded the building where the rally was scheduled to be staged and, according to its organizers, Hossein Mohamed Mimou, Hasan Al-lal Mohamed and Ismail Mustafad Mohamed, prevented several thousand Muslims from taking part. "The police acted as it would in South Africa," says Aomar Dudu. "It was just like martial law, and if I hadn't managed to step in, there would have been real trouble." In the wake of the abortive rally Aomar Dudu filed a complaint against the government delegate "on charges of coercion to prevent exercise of the legitimate, constitutional right of assembly."

A series of rumors have begun to surface about this assembly, however. Among those attending it were a number of hooded men ready to step in if necessary. "Only one person was wearing a hood," says Aomar Duda, "and it was as a joke, although the sun might have bothered him or he might have had some sort of skin disease. What I can say for sure, however, is that the only weapons were the ones that the representatives of the administration were carrying to crack down on us." "There were a lot of things at the assembly," says the government delegate for his part, "things that are best mentioned parenthetically. The night before the rally a police car was stoned, and a few days before that a national policeman was attacked." The fact is that there were people wearing hoods at the assembly, as several photographs attest, and according to sources that prefer to remain anonymous, several knives were confiscated.

The March of the Tortoise

There is apprehensive, low-voiced talk in Melilla about possible intervention by Morocco in the crisis between Muslims and Christians. "The Spanish character of Melilla is in jeopardy as long as Moroccans keep on streaming in and women from Nador continue to give birth in our city's hospitals," says APROME leader Juan Diaz de la Cortina.

The residents of the city have a name for this slow invasion: the march of the tortoise, a takeoff on the Moroccan "green march," and there are those who feel that Hassan II's intelligence services are behind the pro-Muslim activities. The government delegate, Andres Moreno, claims to have information that a Moroccan senator was present at the abortive Muslim assembly in Melilla, "though I cannot say for sure until I can cross-check sources."

Nevertheless, the Hassan government has said nothing about its territorial claims on Ceuta and Melilla in recent days. The initiative has been taken up by his ally, Libyan leader Qadhafi, who has again spoken up about the African character of the two spots. The Muslim representatives in Melilla would rather not broach the subject. "We do not want to be Moroccan; we want to have the nationality that belongs to our land," the community's representatives say. Other Muslims, almost all of them older than 50, say that they want to be Spaniards. The fact is that the exodus across the Moroccan border is nonstop, and families continue to build homes in the Hidum Ravine, which is also known as the ravine of death, thus adding to a population living in Third World socioeconomic conditions.

The lack of education, the exploitation of labor and unemployment are conducive to the social disenfranchisement of Melilla Muslims. "Out and out racism still exists here," says Aomar Duda, "and the government is encouraging it." Aomar is regarded as a persona non grata in racist circles and has even received threats that his defense of the Muslim community "is going to cost you dearly." "There are groups in Melilla like the Ku Klux Klan in the United States," Aomar Duda says. "The proof is all the graffiti in the city like 'No Moors,' 'Moors go home' and 'Melilla is in danger.'"

The charges of racism have even been leveled at specific individuals, such as Andres Moreno or Gonzalo Hernandez. "The self-proclaimed leaders are using this charge to try and destabilize. I can say that since I arrived as delegate, all children, Muslim or not, have had to attend schools together. About 9 million pesetas is spent every month on hospital care for undocumented Muslims, with a total of 948 stays in the Red Cross Hospital alone. Is this racism?" Mayor Gonzalo Hernandez cites the same argument, adding that "city hall is trying to provide a minimum of infrastructure for the disadvantaged neighborhoods." Hossein Mohamed Mimum and his companions in the ravine of death do not see things the same way, however. "You cannot talk about infrastructure," they say, "when there is no indoor plumbing and the city hall has provided one shower for more than 3,000 persons."

Mohamed Amed Ali, a young undocumented street vendor whom the authorities have expelled several times, claims that "I've been beaten I don't know how many times at the police station, and because of these beatings I have constant kidney pains and trouble breathing." "We are constantly persecuted," says Aomar Dudu. "There has been a lot of coercion to prevent Muslims from attending the second rally."

The most recent case of what the Melilla Muslims call racism involved a police inspector named "Jimmy" who assaulted an elderly Muslim at a city bank, hospitalizing him. The government delegation opened an inquiry, and the inspector is now under investigation.

"Racism does not exist in Melilla as it does in other countries," says Amador Segura, the assistant secretary general of APROME, the organization that is most often accused of racism. "We Christians are endeavoring to help the Muslims and to end their disadvantaged status. It is absurd to accuse us of being racists when other communities in the city, such as the Jewish community, are much more locked out of the dialogue."

While the controversy centers on the Aliens Act, a new political party is taking shape in Melilla in a bid to garner the thousands of votes of the Muslim community: the Party of Melilla Democrats, which is led by the same Aomar Mohamed Dudu. It has not yet registered with the Interior Ministry because the drafting of its bylaws has not been completed.

"The PSOE is afraid," says Aomar Dudu, "but we believe that everyone has a right to express their views with their votes, and if the people one day decide to place their trust in us, there will be no reason for fear or outrage." The mayor and the government delegate agree with Aomar on this point: "The people hold power with their votes. It will be the ballot box that decides who holds positions of responsibility in the city. His creed or ideology should not matter, only the votes he gets." Aomar Mohamed Dudu could become the first Muslim mayor of a Spanish city that is under pressure both within and outside its borders.

8743

CSO: 3548/26

POLITICAL

SWEDEN

CENTER PARTY DEFECTOR DESCRIBES 'CRISIS' IN LEADERSHIP, RANKS

Stockholm DAGENS NYHETER in Swedish 7 Jan 86 p 5

[Op Ed Article by Robert Backeus: "Center Party Could Break Up"; first paragraph is DAGENS NYHETER introduction]

[Text] The differences of opinion in the Center Party leadership are so fundamental in nature that they threaten to break up the party. Thus the party presidium is at odds with the party council, the party's youth group [CUF] is at odds with the party's women's group [CKF], the Riksdag group is at odds with county council representatives and so on in an almost endless chain of disputes that cannot be debated for the simple reason that the party could not tolerate the pressure this would create. So writes Robert Backeus, former municipal council chairman in Mullsjo, who is now officially leaving the party.

Gosta Hakansson, former editor in chief of the Center Party newspaper, SKANSKA DAGBLADET, made an almost grotesque attack on former Center Party leader Thorbjorr Falldin in his article in DAGENS NYHETER on 29 December.

The moral and intellectual level of Hakansson's contribution to the debate is so very low that it does not merit refutation. But in spite of that his article was the drop that made my cup run over. I am--or was--a member of the Center Party myself. I have been a party member since 1973 and held a "prominent position" on the municipal level (as they say). I now renounce my Center Party membership.

Gosta Hakansson's verbal attack on the politician who broke a 40-year Social Democratic government monopoly contains one interesting passage: "Four election losses and a 10-percent support level are the results members and sympathizers had to work with when the postelection debate began. What party or popular movement would have shirked a debate of this kind? The fact that this occurred in the Center Party is real proof that this is a popular movement, one that has the courage to discuss its problems, including the party leadership issue."

Hakansson's article is the best example so far that the Center Party was not able to debate its problems but concentrated instead on the single question

of who should lead the party. And the fact that there was no debate either before or after the 1982 and 1985 elections is the fundamental reason for the party's decline and disintegration.

At the time when the Center Party had its highest election results and Swedish Institute for Public Opinion Polls [SIFO] ratings the party was made up of three fundamentally different groups of sympathizers:

Group A consisted of old Farmers' Union people--those who saw and still see the party as a political offshoot of the Federation of Swedish Farmers [LRF]. The group is conservative and solidly middle-class.

Group B consisted of the "Green Wave" people--who found in the Center Party (or perhaps more accurately in Thorbjorn Falldin himself) leadership in the areas of environmental protection, nuclear power opposition, etc. that were so dear to their hearts. The group is radical and often has vague socialist sympathies.

Group C was a fairly large group of politically aware voters, many of whom lived in big cities, who saw the Center Party as a more appealing choice than their other natural alternative, the Liberal Party. They knew where the Center Party stood. The Liberal Party standpoints--between Ohlin and Westerberg--were totally unpredictable. The Liberal Party took first one stand and then another. These sympathizers were--and are--quite radical non-socialists. "Liberal" is the label that seems most natural to apply to them.

These three groups of sympathizers--with their different major interests--could come together and be united in Thorbjorn Falldin's Center Party in the 1970's.

But later there were rifts, mostly because the party's sympathizers, in other words groups A, B and C, were one thing and the party's organizations and representatives (what people in the Center Party love to call the "movement") were quite another. These people were to a very large extent recruited from group A and they did not spare much understanding, interest and political leeway on groups B and C.

Those who drew the consequences of the situation first were the members of group B--the Green Wave people--who left the Center Party more or less en masse following the activation of the Barseback reactor (the "treachery" issue). They have now turned to the Environment Party, the Left-Communist Party [VPK] or an extremist left-wing faction or regard themselves as politically unaffiliated.

Group C sympathizers--the urban liberals--took a little longer to react. There was some transferring to the Conservatives in the spirit of the time, but most of the group did not see any real alternative to the Center Party. As nonsocialists they could not turn to the left. In spite of its new name the Conservative Party remained too conservative for them and that ruled out this alternative. The Liberal Party under Ahlmark and Ullsten was still suspect. Westerberg became their political deliverance.

Group A--the Farmers' Union people--can still be found in the party. The problem with them is that they are dying out at a rate that cannot be offset by the birth rate in rural areas. The "movement" also still exists in fairly good shape. But within it differences of opinion have arisen that are so fundamental in nature that they threaten to break up the party--whether they are discussed internally or in public. Thus the party presidium is at odds with the party council, CUF is at odds with CKF, the Riksdag group is at odds with county council representatives, and so forth--in an almost endless chain of disputes that cannot be debated for the simple reason that the party could not tolerate the pressure this would create.

Therefore no one knows today what policy the Center Party stands for. That is why the party is down in the 6-percent support range. That is why there is a risk that in the 1988 election the party will fall below the 4-percent cutoff point, with or without the Christian Democratic Party [KDS].

What is creating the convulsions just now in the so-called postelection debate in the Center Party is the party leadership question. The first person in the party's line of succession, 1st vice chairman Karin Soder happens to have resigned her presidium job before Thorbjorn Falldin resigned from his position.

The next in line, 2nd vice chairman Olof Johansson, does not have enough support in sympathizer group A to get the unanimous vote of the national congress. He knows that and he knows that he needs it and that is why he is lying low. There is no other obviously unifying figure to be seen anywhere on the horizon. Hornlund, Dahlgren, Asling, Daleus, etc. will not do either--because of factional disputes within the "movement." The least compromised person in the present party leadership is Karin Soder. She has enough experience to be able to soothe the party, she is a woman--which would disarm CKF--she is married to Gunnar Soder--which the farmers' cooperative movement would regard as a guarantee--and she is not--as far as I know--in open disagreement with CUF. She could therefore be talked into serving as interim chairman. If no one succeeds in straightening out this mess before the middle of the summer, she is also the natural compromise candidate for the party congress to be held in Uppsala in June. That she would not have the chance of a snowball in hell in a subsequent debate among party leaders is quite another matter.

I will not express my personal opinion about Thorbjorn Falldin's abilities as party leader and prime minister--I do not regard myself as competent to do so. But for those of us who have had the privilege of meeting Thorbjorn Falldin the politician in person and know that he does not come across the way he does on TV his departure is a great loss. Not just for the Center Party but also for Swedish politics and for the nation.

But I would like to say that there are many people who stopped voting for the Center Party in Riksdag elections, as I did, because we did not know what or who we were really voting for. Is the Center Party for or against TV advertising? Is the party for or against censorship of video tapes? Is

a vote for the Center Party also a vote for KDS? Does the party still adhere to its decentralization policy--and if so is the farmers' cooperative society included in the party's many ambitions?

As Thorbjorn Falldin and others have rightly pointed out, it is absurd to discuss who should head the party before one is able to decide party policy. And with people like Gosta Hakansson conducting the debate in the party, it is very difficult to be a party member. I am therefore announcing my resignation from the party as I raise these questions. But it does not feel as if I am leaving the party. It feels as if the party is leaving me.

6578

CSO: 3650/110

POLITICAL

SWEDEN

SOURCE CLOSE TO SOVIET GOVERNMENT ON SUB ISSUE, JOINT VENTURES

Stockholm DAGENS NYHETER in Swedish 7 Jan 86 p 5

[Op Ed Article by 'Yuriy Denisov': "Soviet Offer of Industrial Cooperation"; first paragraph is DAGENS NYHETER introduction]

[Text] Yuriy Denisov is considered to be very close to the Soviet government. The name is a pseudonym.

Relations with the Nordic countries have always been an important factor in the Soviet Union's European policy. In this whole complex of international relations, good friendly contacts with Sweden occupy a prominent place.

For several years the so-called submarine issue has been persistently pushed into the foreground in political considerations of relations with the USSR. For many Swedish politicians this speculative issue has actually obscured the prospect of developing these relations that are so vital to Sweden. Vociferous campaigns about the unintentional intrusion by a Soviet submarine into Swedish territorial waters in October 1981, for which the Soviet government apologized to the Swedish government, and later alleged Soviet violations of Sweden's borders have been used to limit contacts with the USSR, especially in the political and military spheres.

The disruption of Soviet-Swedish relations continued even after the Social Democratic government under the leadership of Olof Palme came to power in 1982. The right-wing opposition has continued to strongly oppose all contacts and exchanges of a political nature with the USSR.

As expected the untenability of the idea of adopting "sanctions" against the USSR by limiting political and other contacts (as if only the Soviet Union was interested in such contacts) quickly became obvious. The Swedish public responded positively to Olof Palme's statement at the Social Democratic congress in September 1984 that it was necessary to maintain contacts and exchange visits between Sweden and the Soviet Union "at various levels under all circumstances." After the Riksdag election in September 1985, Prime Minister Palme declared his intention of visiting the Soviet Union.

It is no less important to have advantageous economic cooperation and to tighten the material fabric of peaceful coexistence. Such contacts can be

based not only on the needs of the present and the near future but also on the more long-range view that the Soviet Union and Sweden should complement each other economically in a more complete way.

In the future too the Soviet Union should be able to continue to help meet Sweden's long-term needs in the way of energy, equipment and raw materials. Soviet economic organizations could take Swedish industrial possibilities into account more often when preparing short-term and long-term national economic plans. It would be pertinent to broaden the scope of such progressive forms of cooperation as joint ventures, specialization and big long-term contracts.

An expansion of contacts between the USSR and Sweden in cultural and educational areas, more extensive information and broader contacts between people, in short the kind of cooperation envisioned in the final document from the Helsinki conference, should play an important part in strengthening good neighborly relations between these countries. As the final Helsinki document says, such cooperation must be based on the condition that the nations involved do not interfere in each other's affairs and that they recognize each other's right to determine their own laws and regulations.

The Swedish neutrality policy undoubtedly makes a substantial contribution to the possibility of further consolidating the course of neighborly harmony and productive cooperation between the USSR and Sweden in the area of international affairs. The Soviet Union has great respect for this Swedish policy. In a situation where three Nordic lands are NATO members this realistic and tested course is one of the factors that undeniably contribute to preserving peaceful and stable conditions in this region and to preventing our area from being involved in the sphere of international conflicts. Sweden's policy is an important factor in maintaining peace and security in all of Europe.

When it comes to ending the nuclear arms race Sweden has always taken a noteworthy stand. Sweden proposed the creation of a zone in Europe that is free of "nuclear combat weapons" and supports the Nordic nuclear-free zone proposal. The Swedish position plays a prominent role in the question of global nuclear armaments as well. The work done by the independent committee on arms reduction and security issues under the leadership of Olof Palme has been an important contribution to the international discussion of war and peace. The Swedish government is working to halt the arms race on earth and is aware of the catastrophe it would be if this race is extended to space.

No one can fail to see that Sweden's adherence to the neutrality course (and there are forces in the country and across the Atlantic who want the course abandoned) and the increasingly active and constructive trend of that course are helping to increase the authority of the "Swedish line" and to serve the cause of peace in Europe and around the world.

6578

CSO: 3650/110

POLITICAL

SWEDEN

COMMUNIST VPK PARTY TO BRING UP JEWISH RIGHTS IN MOSCOW VISIT

Stockholm DAGENS NYHETER in Swedish 17 Jan 86 p 9

[Article by Magdalena Ribbing]

[Text] Russian Jews who want to emigrate to Israel should have the right to do so, Left Party Communist (VPK) group leader Bertil Mabrink told DAGENS NYHETER.

He believes that the VPK delegation traveling to the Soviet party congress in the near future should take up this problem with the Soviet leadership.

Eight well-known Soviet Jews have signed an appeal to the "leaders of the Western worker and communist parties." The appeal refers to the 27th Soviet Party Congress, which will take place this February in Moscow. The eight Jews pointed out that speeches would be delivered that would describe the Soviet Union as a democratic society in which everyone has the right to work and study.

"We do not have the right to go out on the street and demonstrate openly that we are living proof that the opposite is true. But we are here. We are Soviet Jews who have asked to leave the Soviet Union, in accordance with existing laws and international documents signed by the Soviet Union. We are not permitted to emigrate, because we have 'insufficient reason' to do so. Many people who write about us and want to fight for us are sentenced to prisons, work camps, or mental hospitals," the eight Jews wrote.

Two VPK members of parliament have been invited to attend the Soviet party congress. Today, Friday, the party's Executive Committee will decide who will go. Party leader Lars Werner probably will be one of them. He and parliamentary group leader Bertil Mabrink have received the appeal of the Soviet Jews from the Swedish Parliamentary Action Committee for Soviet Jews.

"It is reasonable and proper for VPK to take this matter up with the Soviet leadership."

9336

CSO: 3650/114

POLITICAL

SWEDEN

BRIEFS

SOUTH AFRICA TRADE DECLINES--Swedish exports to South Africa dropped by 37 percent from January to October 1985, according to the Central Bureau of Statistics (SCB). South Africa is now Sweden's 31st largest export market, compared to 21st in 1984. The reduction in exports is believed to be linked to the Swedish government's call for limitations on trade with South Africa. Most categories of goods are showing a clear decline, according to SCB. Exceptions are deliveries of printing and bookbinding machines, office machines, and carbon and graphite goods. Swedish imports from South Africa have increased, however. The latest figures, for January through September, show a 29-percent increase. [Text] [Stockholm DAGENS NYHETER in Swedish 16 Jan 86 p 10] 9336

VIETNAM AID PACKAGE APPROVED--Sweden will give Vietnam a total of 5 million kronor to repair the severe hurricane damage the country suffered last fall. The money will be used primarily to improve dams and retaining walls in the affected areas. Foreign Aid Minister Lena Hjelm-Wallen made this announcement on Thursday in answer to a question from member of parliament Hans Goran Franck. [Text] [Stockholm DAGENS NYHETER in Swedish 17 Jan 86 p 9] 9336

CSO: 3650/114

MILITARY

EUROPEAN AFFAIRS

FRANCO-FRG JOINT AIR DEFENSE PLAN REPORTED

PM160945 Paris LE MONDE in French 15 Jan 86 p 4

[Article by Jacques Isnard: "France and FRG Try To Devise Air Defense System Designed To Provide ABM Capability"]

[Text] The West Germans and the French are examining the conditions in which they could design a so-called "extended" air defense system against aircraft and missiles which is not the European equivalent or counterpart of the American strategic defense initiative [SDI] but which, for instance, enables France to more effectively guarantee the survival of its nuclear response capability in the face of an act of aggression.

For some months both in Bonn and Paris the idea of extending what already exists in the two countries in the sphere of anti-aircraft missiles and ABMs has been making cautious progress without any final option on the characteristics and performances of the system envisaged being chosen. The subject is connected with the desire expressed by Helmut Kohl and Francois Mitterrand, with a view to their meeting at the headquarters of the French forces in Germany in Baden-Baden on Thursday, 16 January, to further increase the sphere of military cooperation between France and the FRG.

Officially the plan for an extended air defense has little or no relationship with the fear of some Europeans that American space defense against Soviet intercontinental missiles might not take sufficient account of the European continent's security interests. In its present state, the SDI program does not directly concern the protection of the U.S. European allies against bombers, cruise missiles, or tactical missiles.

General Bernard Rogers, supreme commander of the allied forces in Europe, echoed the concern of his European partners in the Atlantic Alliance on 19 November. The SDI plan, he explained in substance, is a potential source of division within the alliance. The NATO "boss" sided with those in Europe who support a European defense initiative [EDI] which may be a conventional defense system against the USSR's non-strategic nuclear weapons targeted on Western Europe.

Unlike the SDI, which calls for a huge construction in space intended to neutralize intercontinental missiles at launch, during their trajectory, or as they approach their targets, the EDI is a conventional surface air defense against bombers or missiles in the terminal phase of their flight toward "sensitive" points on the territory.

An Integrated Command

American industrialists say they have the solution to this specific European need for a limited defense system which is not a space shield. It is the Tactical Antiballistic Missile [TABM] program for an anti-aircraft and anti-missile missile derived from the surface-to-air Patriot missile already in service in air defense units. The TABM program is ambitious at the technological level just as it is costly from the strictly financial viewpoint. Its introduction into European arsenals would have no connection with the SDI program if the latter had military outlets.

In Europe, companies like Aerospatiale or Matra in France or Messerschmitt-Bolkow-Bloehm in the FRG have not remained inactive. The French see this prospect of an extended air defense system as a means of consolidating military cooperation between the two countries and, at the same time, as a tool for protecting their nuclear bases against the enemy first strike intended to put them out of action. The Germans think that this gives them the opportunity to choose between a European program and the American TABM, which does not call into question the participation of their industrialists--without any state aid--in the space defense program.

Although the Germans were the first to raise the possibility of an EDI, Paris is taking care not to give the feeling of wishing to rush things, since an expanded air defense system would be interpreted in Washington as a military construction intended to act as a counterpart to the SDI.

Nonetheless, by agreeing to discuss such a plan, France is giving its main European partner assurances of its desire for intensive military cooperation between France and Germany. Indeed the very concept of an air defense system in Europe, designed to provide an ABM capability, in other words to intercept objects flying at a very rapid approach speed, presupposes the organization of a fairly highly integrated command if it is to respond as rapidly as possible. In different times this European "integration" would have raised a political storm.

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CSO: 3519/120

MILITARY

DENMARK

AIR FORCE HELICOPTER PILOTS NEAR AGREEMENT ON JOB CONDITIONS

Copenhagen BERLINGSKE TIDENDE in Danish 11 Jan 85 p 7

[Article by Nils Eric Boesgaard]

[Text] The joint representative of the Air Force helicopter squadron is satisfied with the new draft agreement. The Defense Command denies charges of frequent violations of the rules governing helicopter inspections.

During negotiations with the Ministry of Defense yesterday, the helicopter pilots of the Air Force yesterday reached a draft agreement on the working hours and the payments on the basis of which the salvage service will be operating.

"Squadron 722 has very special tasks and special periods of duty. We are in continuous negotiations to arrange these things in a good and efficient manner for the benefit of all parties," says Lieutenant-Colonel Ole Buch, department chief in the Ministry of Defense.

"I have received a draft agreement which I personally find promising," First Lieutenant Birger Kagan, joint representative of Squadron 722, tells BERLINGSKE TIDENDE.

The pilots of the salvage squadron have long been dissatisfied with their working hours, especially the unpleasant 48-hour duty periods, which have been necessary in order to keep three helicopters ready for turn-out all round the clock--one at the Værløse air base and two at Skrydstrup and Ålborg, respectively.

"We now have to study the draft agreement. It does not, of course, completely cover the demands made by the pilots, but, then, one seldom gets all of one's wishes fulfilled," he adds. "There are certain things in the draft agreement that we may use, and, in my opinion, we have got to give it a chance."

In connection with the problems of duty hours, it has been rumored that, due to the shortage of personnel in the technical field, salvage helicopters too often have been operating on the basis of exemptions from inspection permits.

This was denied yesterday by the Defense Command, which states that, according to the regulations, their S-61 helicopters have to be inspected every 300 hours of flight, but that a certain percentage of transgressions are bound to occur due to operative requirements or shortages of workshop capacity.

Within the last 3 years, exemptions have been granted for approximately 50 percent of the helicopters due for inspection but to such a limited extent that the average operating hours at times of inspection have been 306 hours, the Defense Command states, adding that, together with other users of this type of helicopter, the Air Force considers expanding the hours of flight between inspections to 350 hours.

7262

CSO: 3613/57

MILITARY

NORWAY

DEFENSE MINISTER CONFIRMS COMMITMENT TO NATO EXERCISES

Oslo AFTENPOSTEN in Norwegian 7 Jan 86 p 3

[Text] "We should be the first to be glad that several NATO countries are now making greater efforts to meet the Soviet challenge at sea. Excellent exercises will reduce the need, which would otherwise be present, for a more permanent stationing of allied naval forces in our part of the world. The NATO connection gives our defense support at sea. During the past 10-15 years we have done our best to correct previous weaknesses."

This is what Defense Minister Anders C. Sjaastad said in his yearly address to the Oslo Military Union yesterday. He urged more realism in our defense and security policy debate. He definitely took exception to the idea that the Western alliance has developed a new offensive strategy in the northern areas.

"The same circles seem to be little interested in the Soviet naval buildup: it is toned down and sometimes passed over in silence. The desire to 'understand' the Soviet Union's 'naval defense interests' is also very well developed -- even if these 'defensive' interests are demonstrated and exercised right off our beaches," Sjaastad said. He pointed especially to the Soviet Union's most recent exercise in 1985 -- Summerex 85 -- which showed the level in quality and quantity the Soviet Union has reached in outward bound operations.

On this occasion the defense minister's lecture dealt mainly with the strength relationships between the East and the West, particularly in our area. He pointed out that throughout the period in which the Soviet Union strongly expanded its navy, we saw a reduction in the Western navies, particularly in the number of units. Fifteen years ago we saw that we could find ourselves behind the advancing Soviet lines of operation. We were in danger of being isolated from our allies.

Allied participation in exercises and routine visits in our waters declined. Visits by American aircraft carriers declined. "Until 1985, when the USS America took part in the exercise, Ocean Safari, aircraft carriers had only operated a total of 33 days in this part of the world," Sjaastad said.

"There is no doubt that Norwegian authorities and security policy circles with their foresight laid the basis for the renewed interest in NATO in the naval dimension in the relationship between East and West, particularly in the vital role Norwegian territory and the surrounding waters play in this connection. It was these initiatives, with direct contact and support, together with the Americans, which led to the advanced storage in Trondelag," Sjaastad said. He said that the concern in the West today is not just a question of NATO's guarantee to Norway!

"The problem has a larger dimension in that it concerns the vital connections over the seas between north America and western Europe."

The defense minister concluded by saying that the countermeasures taken against the Soviet Union's strength buildup have just strengthened the basis for a continuance of the traditional low spending profile on our part in the North. "We have made our best efforts to correct some of the weaknesses that were about to develop. Our security position is improved, and at the same time we can say that we have a good and correct neighborly relationship to the Soviet Union," Sjaastad said.

9124

CSO: 3639/58

MILITARY

NORWAY

TRAINING OF F-16 PILOTS IN CANADA, U.S. PROPOSED

Air Force's Credibility Threatened

Oslo AFTENPOSTEN in Norwegian 7 Dec 85 p 2

[Editorial: "Pilot Crisis"]

[Text] The pilot crisis in the Air Force is getting worse. Four out of five squadron leaders have been offered civilian jobs and only one squadron has its full complement of jet pilots. The other four squadrons currently have twice as many F-16 planes as they have pilots to fly them. That in a nutshell is the disturbing situation outlined for AFTENPOSTEN yesterday by the leader of Squadron 331 in Bodo.

When the commander of air combat forces in North Norway, Major General Odd Swang-Rasmussen, says that the "Air Force is waiting to see what the Defense Ministry intends to do about the pilot crisis," it is a major understatement. The pilot crisis is undermining the credibility of our defense system.

The basic position is poor. Even in peacetime the Air Force is unable to keep the number of F-16 planes in the air that are needed to guarantee adequate readiness. The situation could quickly become even worse. If all the pilots who are able to leave after their mandatory tour of duty, the Air Force will be left in the course of the year with 45 pilots operative for service on our 69 fighter planes. As a basis for comparison NATO has a minimum standard of 1.2 pilots per plane.

Last November Undersecretary Oddmund H. Hammerstad expressed the hope that the crisis could be largely solved by means of a kind of bonus system. Originally the Defense Ministry planned to offer a total of 20 pilots a bonus of 1.2 million kroner if they promised to remain in the service for 15 years. At that time Colonel Jens P. Andersen, Air Force inspector, said he did not see any solution to the problem unless the number of bonus contracts increased.

Defense Minister Anders C. Sjaastad has our full support when he now suggests the possibility of offering more pilots less restrictive bonus agreements. The key words here are more contracts, fewer years of service and lower bonuses. The agreement with SAS to allow fighter pilots to continue

to fly for the Air Force too for a period of 3 years after they move over into civil aviation is another positive step. But now the situation is urgent.

The present situation is impossible. Our preparedness cannot be based on the ability of the defense system to recall civilian pilots and instructors who happen to be in the United States. To put it briefly we need an air defense in order to prevent the necessity for mobilization. As long as we do not have enough pilots to get our advanced fighter planes off the ground, we lack a credible national defense. We must ask the Defense Ministry to accelerate its work on the measures for solving the pilot crisis that have been announced.

Southern Forces Commander Comments

Oslo AFTENPOSTEN in Norwegian 10 Jan 86 p 9

[Article by Olav Trygve Storvik: "Statements about Pilot Crisis Misleading"]

[Text] There is a danger that the public has been given a slanted and misleading impression of conditions in the Air Force following a press conference and interview in DAGSREVVYEN on the same day with Lieutenant General Ulf Berg, the supreme commander in North Norway (OKN). This comment was made by the supreme commander in Southern Norway, Lieutenant General Eyvind Schibbye, in a conversation with AFTENPOSTEN.

According to several media sources Lt Gen Berg (OKN) said that "the pilot shortage is not so serious that it weakens preparedness." It is this statement in particular that led the Southern Norwegian commander, Lt Gen Schibbye, to react.

As that statement has been presented, without any in-depth clarification, it gives a distorted and misleading impression of conditions in the Air Force, said Schibbye, who is a pilot himself.

"Outsiders with no background in the field could easily get the impression that conditions in this branch of the service are fine. But that is not the case and it was undoubtedly not Lt Gen Berg's intention to give that impression. This is a question of the emphasis given to the words that are used. If by 'preparedness' Berg means the ability to get some stand-by airplanes off the ground within the prescribed time, he is correct. And he is probably also correct as far as North Norway is concerned if by 'preparedness' he means the ability to get all the planes in the air.

"But Lt Gen Berg is not correct if he uses the word to indicate the ability to get all planes in the air in the certainty that the pilots will carry out their main assignments as well and efficiently as one should be able to expect and demand when one thinks of the high cost of the weapons system they are assigned to operate. It is this meaning of 'preparedness' that it is most appropriate to use. It is not enough to get airplanes in the air. Those

who man the cockpits should also be capable of performing their jobs as efficiently as possible," said Lt Gen Schibbye.

Effectiveness Could Double

"The problem is that even if we had enough pilots for our fighter planes, the fighter arm's overall effectiveness depends to a dramatic extent on the average level of experience in operative squadrons. If the pilot drain is halted the level will gradually build up to the point where the arm's effectiveness could be twice the present level. If we could achieve this it would probably mean much more than a doubling of our combat results. Against sea and ground targets the results might prove to be in proportion to the level of experience. For example this would mean that we could get along with six flights to a target that would require 12 today. In aerial combat the results might be even better.

"Doubling the effectiveness of even our small air force would have a substantial deterrent effect on a potential attacker. He would be aware that we could concentrate our entire fighter plane potential on any invasion route--even in areas where there are no other defenses in place. And we could do so the very first day, perhaps even the very first hour.

"This increased deterrence could be achieved without a net increase in the defense budget because the money spent on halting the pilot drain would be more than offset by the savings on the constant training of new pilots that we have to provide now," Schibbye said.

He also said that there is nothing wrong in publicly discussing this kind of gap in preparedness, although ordinarily one does not reveal one's weaknesses. But the problems that afflict the Norwegian Air Force today are so obvious to people who deal with this kind of thing on an international level that Schibbye says only the uninitiated Norwegians who see pilots flying around overhead think that everything is all right.

Solution Seen Training Abroad

Oslo AFTENPOSTEN in Norwegian 11 Jan 86 p 8

[Article by Liv Hegna: "United States Might Provide F-16 Training"]

[Text] The Air Force feels it is fighting with its back to the wall in the mounting pilot crisis. The inspector general of the Air Force, Major General Olav Aamodt told AFTENPOSTEN that they are currently considering whether the United States or Canada could take over the training of Norwegian F-16 pilots because so many top pilots have gone into civil aviation lately. The alternative is to hire foreign instructors to work in Norway. "But that would be very expensive," said Aamodt. The Air Force will soon have lost all its F-16 instructors.

Today it costs 8 million kroner to train a military pilot to fly the F-16. The cost is the same whether the training is received in Norway or in some

other country. However the entire leadership apparatus is established at Squadron 336 in Rygge, so some of the costs are already covered here at home. If special training takes place in the United States Aamodt said we would probably have to pay for the American investment in addition to the F-16 training itself. He told AFTENPOSTEN that attempts have been made to look into how we can compensate for the departure of our most experienced pilots. "We must evaluate many measures that could solve the problem."

Cheaper in United States

It will probably be cheaper if our pilots get their F-16 training in the United States rather than hiring instructors here who would have to be trained to fly in Norway before they could start training Norwegian pilots, said Maj Gen Aamodt, who pointed out that snow, icing and runway conditions in Norway are quite different from those the instructors in question are used to. Aamodt thought it would take up to a year of training in Norway before foreign instructors would be qualified.

"Finding a solution to the training problem would give the Air Force some leeway so that we can find a solution to the fundamental problem of the lack of qualified personnel to take over leadership functions in the Air Force," said Maj Gen Olav Aamodt.

Question of Capacity

The operative chief of air combat forces in Southern Norway, Major General Eyvind Schibbye, told AFTENPOSTEN that the whole thing might bog down on the question of capacity, even abroad. Schibbye said it would probably not solve the problem to expand the arrangement of sending a so-called "development officer" for further training in Great Britain. "That just means losing more operative pilots in Norway. We can't afford that," said Maj Gen Schibbye.

A decision about whether the Air Force will purchase instructor services from the United States or pay for further training of trained Norwegian pilots in the United States will be made soon. However the Air Force staff has not yet found any solution to the crisis affecting Air Force technicians.

6578

CSO: 3639/57

MILITARY

SWEDEN

NAVAL OFFICER: USSR ELITE UNIT FOR NORDIC SABOTAGE

PM301357 Stockholm DAGENS NYHETER in Swedish 20 Jan 86 p 5

[Commodore Hans von Hofsten "Debate" article: "Do the Swedish People Know About This?"]

[Text] Suddenly and without a declaration of war Nazi Germany attacked and occupied Denmark and Norway in 1940. When the war broke out in 1939 both countries had declared themselves neutral, and in addition Denmark had earlier signed a nonaggression pact with Germany. Thus, the actual test of strength between the two superpower blocs began when our two closest neighbors, peaceful countries with friendly relations with everyone, were the target of an attack that was as unwarranted as it was despicable. Nor was there any enmity between these nations' peoples!

No, in actual fact this was strategic logic. During World War I Germany learned that its Navy with its trump card, its submarines, with whose help it would starve out Britain, could not be used with sufficient effect if they were based in the home country. This was noted as early as 1929 by Admiral Wegner in a published work. He believed that in the next test of strength between continental Germany and British sea power, naval bases and Air Force bases in Norway must be secured as soon as possible.

How then was it possible for the continental power of Germany to win a firm foothold in Norway across the sea, right under the noses of the superior British fleet? Former Army Corporal Hitler did not know what everyone else "knew," namely that prior to a coastal invasion you have to fight to achieve naval superiority in the region in question. As a result, through a total surprise operation--coordinated land, sea, and air operations--he was able to achieve his goal. The operation had additional support through the fact that the Nazis had created a fifth column, the Quislings, in Norway.

These historical events are of the greatest interest for us today, since the strategic situation has many striking similarities with that which prevailed 45 years ago.

Today the Warsaw Pact has its shipyards and exercise areas locked up in the Baltic, while the northern fleet has its operational base--undoubtedly the

world's largest--at Murmansk on the Arctic Ocean. In addition to the fact that the climate up there, 260 miles north of the Arctic Circle, makes it difficult to keep materiel and personnel in condition, the landscape is flat and open, and this provides little possibility of cover. If in addition you add the fact that the distance from NATO's umbilical cord across the Atlantic is almost twice that which the Germans had from their home bases, it is easy to see the military necessity of acquiring more forward bases for both the Navy and the supporting Air Force. Can this be the reason why the Soviet Union with so much diplomatic rumbling has attempted and succeeded in persuading Norway to renounce stationing allied soldiers on its territory in peacetime?

Often it is not that pleasant to look the truth in the eye. But our neighbors' experiences ought to have taught us that it is necessary to do so if one is concerned about one's own welfare. Visions and pious hopes are not much to cling to in the crazy world of violence in which we do after all live. The truth which I see before me is briefly as follows:

On the continent well-equipped, Hydra-headed military powers stand on either side of the Iron Curtain. A forward thrust there, even if success were won, would involve the price of enormous losses in lives and materiel and bring with it unmanageable risks of the nuclear war feared by both sides. On the Scandinavian peninsula, there are in Norway what are in this context pathetically small standing forces. In Sweden there are the Army units, manned by the year's conscript intake and trained to whatever level of combat readiness there has been time to achieve. Only in the Navy and the Air Force, which are now half the size they once were, is there a constant level of superior combat readiness, thanks to the large proportion of permanent staff in their ranks.

A surprise gambit by the Warsaw Pact on the Scandinavian peninsula would therefore have a good chance of success. However, an attack after a point at which Sweden had mobilized would be both difficult and time-consuming. It is true that even then our defenses would be fairly thin, but of such high quality that a sufficiently long period of preparation and preliminary fighting would be needed and this would give NATO time to reinforce not only Norway but also the rest of Europe.

Thus, Sweden, as the Defense Committee has stated, would run an increased risk of being drawn into a major war at an early stage. Indeed, there is much to suggest that this major war would begin with us. Neutrality, weakness, and general peacefulness would help us just as little as they did Finland in 1939 and Denmark and Norway in 1940.

Achieving rapid successes against an unmobilized and unsuspecting Sweden could thus seem simple and inexpensive. But could the attacker be completely sure that the Swedes really "are asleep" at the moment the attack is launched?

A single Swedish submarine or missile ship [robotbaat] alone has the capacity to sink up to around 10 poorly protected vessels in less than half an hour, and sections of an attack division are able to do as much. One of the coastal artillery's rapid deployment blocking units can totally block off

a sea approach route in a few hours. The Army's small but numerous coup defense units [kuppfoersvarsfoerband] can rapidly and for a lengthy period destroy the airfields and harbors which are a prerequisite for an attacker to be able to follow up the attack with larger units. Civil defense units can have a five-figure number of men in place at sensitive local installations.

In his attack on Norway Hitler primarily had to deal with the British fleet. However, he had a temperament which made him inclined to take major risk and consequently German losses were great. Even though it is difficult to talk about national characters there is sufficient evidence provided by history to indicate that in military operation the Russians prefer certainty to risk-taking.

Against his background the Soviet Union would not be inclined to take major risks in a coup-like attack on Sweden. But nothing is impossible in this world. The risks can be reduced or totally removed. How could this be achieved?

On two occasions the Swedish police have arrested groups of Poles selling pictures. Together these groups had 66 different maps showing airfield, new roads and bridges, mobilization stockpiles, and areas suitable for landing airborne troops. The armed forces commander in chief has reported that the personnel of all of Sweden's Air Force units have been visited by such "picture sellers." Prior to the summer of 1984 60 percent of pilots in the Jamtland squadron had received such visits....

The Soviet Union has almost 4,000 elite soldiers specially trained for sabotage and murder in Sweden. They are trained using prisoners under the death sentence in order to eradicate all scruples. Knowing this is enough to understand the ruthless toughness with which these units would set to work in the idyllic home of our social democratic society. They are trained over a period of 2 years, after which they are transferred to the reserves, which now numbers 150,000 men, 15,000 of whom are intended for Sweden. According to SVENSKA DAGBLADET, these figures come from the Swedish security police and were published in the summer of 1985.

If the Soviet Union is to produce such quantities of sabotage groups ever 2 years it is hardly surprising that the training requires frequent operations for those who are to operate from submarines in Swedish waters.

An attacker knows to "the last penny" how many submarines and missile ships Sweden has, what they are called, where they are stationed, and whether they are armed. He knows exactly how many Air Force divisions we have of different types and where they are based. He knows what every last officer on every boat and in every Air Force unit is called. He also knows where all these officers live and in many cases even knows which room is his bedroom; there are only several hundred of them who have key posts in the event of a national emergency. He knows all this and much more through open and reliable sources.

In addition, through on the spot espionage the Soviet Union has made sure of exactly where the coastal artillery's barriers of mines, laid in peacetime, are located and where its artillery is, how to safely find its way under water into harbors and base areas at different times of the year, in daylight and in darkness, where there are suitable docking places for minisubmarines and where these can find crevices in which to hide, and so on, and so on.

A ship can be put out of action for a few days with a well-placed explosive charge, of a size such that an attacking diver can carry several. All the navy's bases have had visits from foreign underwater vessels. A coastal artillery mine can be rendered harmless simply by cutting its anchor cable or the cable with which it is controlled. In recent years three mines have disappeared in circumstances that do not admit a natural explanation. The Air Force would be completely paralyzed without pilots. For professionally trained and well-equipped sabotage units, dressed in Swedish uniforms, it would not be difficult to murder the majority of our few hundred pilots.

If the attacker wants to increase the certainty that ships will be unusable, he can lengthen his death list with the names of a few key men on their crews. If you want to put a monkey wrench in the mobilization machine during the phase in which a war is beginning you can blow up a number of telephone exchanges and electricity switching stations. You can make a very long list of the chaos which can be caused in our modern society by a well-informed attacker using very few weapons.

But surely this is too much like painting things worse than they are! The expression is exactly the same as that used in anger by [former Prime Minister] Per Albin Hansson when Foreign Ministry Under Secretary of State Erik Boheman briefed him in the thirties on the Foreign Ministry's view of the prevailing security situation. Boheman replied rapidly: "I am not painting things worse than they are; they are already like that." Here too the parallel from history is striking. Things are bad already!

Between 1980 and 1982 alone tens of violations by Soviet submarines were detected in Swedish waters. The submarine commission concluded that on one of these occasions, in October 1982, no less than six submarines took part in a "concerted operation." We do not know, nor has anything been made public about how many may have been involved on the other occasions. Since 1983 a large number of additional violations have been discovered, as well as violations in the 18 years leading up to 1980, with an unknown number of submarines taking part on each occasion. It is easy to understand the former Navy chief when he said that he had "difficulty sleeping at night."

This picture of a foreign power that is eagerly engaged in sabotage preparations against Sweden through espionage, the planning of murders, and submarine operations which provide a reliable routine for planned attacks regardless of season or time of day, is produced by putting two and two together from published sources and coordinating the information with professional insights. The description of military policy given here is also simply a popularized representation of views put forward by the 1984 Defense Committee and the public documents on which these were based.

When someone notices something upsetting you sometimes hear the jocular phrase, "Do the authorities know about this?" I would like to turn this on its head and ask, "Do the Swedish people know about this?"

The Defense Committee's report has been given a very positive reception for two reasons; first, because all the democratic parties are fully agreed on its contents. But how many people have an opportunity to read it and to satisfy the report's final sentence: "It is therefore the committee's hope that with this report it has made a contribution to a wider and deeper security policy debate prior to the 1987 Defense Bill."

This article is an attempt by an officer from the ranks to satisfy the committee's hopes. I admit without any evasion that I myself am frightened by the picture I have painted, even though I have been aware of it for a long time.

/6662

CSO: 3650/116

MILITARY

SWEDEN

PAPER REPLIES TO FINNISH, NORWEGIAN CONCERNS REGARDING SWEDEN

Stockholm DAGENS NYHETER in Swedish 7 Jan 86 p 2

[Editorial: "Our Security--and the Security of Others"]

[Text] There are gaps in Sweden's defenses. We are not alone in that respect. Countries generally do not have complete military coverage for their security policy goals. There is always a need for more money. But one has to live with certain risks, as Norwegian expert Arne Olav Brundtland wrote last fall.

The question, of course, is how large the gaps and the risks can be in various areas without jeopardizing credibility. "Norway Doubts Our Neutrality" read a headline over a news article that appeared in DAGENS NYHETER a few weeks ago. "Sweden No Longer a Neutral Nation" read the pointed headline over an article by Gustaf Petren in EXPRESSEN that same week.

Of course it is uncertain whether our neighbors' interest and unrest have really increased lately or whether we in the Swedish debate are paying more attention to such reactions than we did in the past. If one looks more closely at the substance of the various reports of foreign reactions a wide range of critical viewpoints concerning Sweden's defense and Swedish security policy emerge.

A common point of departure is the submarine violation issue. According to an editorial writer in HUFVUDSTADSBLADET the violations lead to the question of whether anyone has had reason to think that Sweden might change its course under certain circumstances--"that confidence in Sweden's neutrality in the event of a conflict has diminished."

It is a widespread opinion among Finnish observers that Sweden has overreacted and behaved "somewhat hysterically," as a report from Helsinki that appeared in SVENSKA DAGBLADET put it. People in Finland talk about the Soviet need to hear repeated Swedish neutrality declarations, they think the Swedes stubbornly insist on regarding the Soviet Union as a major enemy and they feel we could handle the whole matter more discreetly.

More alarmist in tone was Gustaf Petren's Social Democratic source from a non-Nordic NATO country who said that in view of the fact that Sweden is

unable to keep Soviet submarines out of internal waters, this country cannot expect to be regarded as a neutral country by NATO!

From one point of view we are making too much of a fuss over the subs while from another we are doing nothing about them. More balanced statements have come from our western neighbor, Norway.

It is true that a Norwegian source is said to feel that "Sweden has pursued a soft line with regard to the Soviet Union and has tried to tone down what has happened" and that therefore "Swedish foreign policy is more disturbing to us than the gaps in defense." But on the whole Norwegian observers seem to be concerned that Sweden will have trouble maintaining its army and air force for financial reasons.

"Actually Sweden's conventional defenses cannot be too strong from a Norwegian point of view, but this does not mean that we are justified in making complaints," Brundtland said: "In the final analysis we will be better served if Sweden arrives at an application of the neutrality policy and a defense policy profile that the Swedes can rally around."

In common with his fellow countryman, General Tonne Huitfeldt, who spoke in the fall at a Norwegian-Swedish seminar at the Foreign Policy Institute, this security policy researcher feels that Sweden should be careful not to put so much emphasis on submarine defense that it has a detrimental effect on other defense objectives.

We have been given a lot of good advice. But despite the attention we try to pay to the Nordic pattern in general and to Finland's position in particular, Sweden must deal with the submarine violations on the basis of its own security policy needs. We cannot handle the question of submarine defense in the muted fashion many friends in Finland seem to prefer. We can hardly treat them as simply a minor nuisance, as Gen Huitfeldt recommended.

A failure to protect Swedish territory in spite of efforts to do so is certainly not a breach of neutrality. But it could be used as a pretext for further military actions against us. Sweden has a clear obligation under international law but must also live with a certain security policy risk due to the fact that defense resources have to cover many other things besides submarine defense.

It could be said somewhat presumptuously that we are trying to teach the rest of the world to respect international law. We hope that this will also benefit the security of neighboring countries.

6578

CSO: 3650/110

MILITARY

SWEDEN

NONSOCIALIST MP'S PROTEST NAMING BORG TO DEFENSE PANEL POST

Stockholm DAGENS NYHETER in Swedish 17 Jan 86 p 9

[Article: "Protest against New Chairman"]

[Text] The change in chairmen at the important Defense Committee cannot be seen as a purely internal Social Democratic matter.

Representatives of the three nonsocialist parties presented a joint protest when the Defense Committee met on Thursday at the adult education facility in Gallofsta.

Former LO (Federation of Trade Unions) chairman Gunnar Nilsson announced at a meeting on 9 January that he was stepping down as chairman of the committee, effective immediately, and that unders cretary Per Borg of the Defense Ministry had been appointed to take his place.

"It would have been reasonable to expect consultations with the other parties represented on the committee," said Carl Bildt (Conservative Party), Hans Lindblad (Liberal Party), and Gunnar Bjork (Center Party). "We regret that, with this abrupt action, the government has created the impression that it is not interested in consultations," they said.

9336

CSO: 3650/114

MILITARY

SWEDEN

PAPER COMMENTS ON LIBERAL PARTY DEFENSE MOTION

Stockholm DAGENS NYHETER in Swedish 17 Jan 86 p 2

[Editorial: "More Submarines"]

[Text] More submarines, coastal defense missiles, antiaircraft missiles, and various other materiel could be included in the commander in chief's so-called plus level, according to the Liberal Party. This sounds too good to be true, even though the Liberal Party is also talking about rationalization and a shift in priorities. Shutting down some of the army's outdated brigades would free up money that could be used to procure new materiel.

Still, it is difficult to see how the figures add up. Experience has shown that both politicians and military officers are generally far too optimistic. Before each defense resolution they have attempted to fit more purchases into the proposed allocations than has actually been feasible.

Even for a party with considerations other than those of the commander in chief, the plus level is a bare minimum, if the goal is not to allow the military to be weakened even more, compared to the situation elsewhere in the world. It is somewhat contradictory that the Liberal Party, which is seeking broad agreement on the upcoming defense resolution, is supporting a defense program with no room for cuts.

9336

CSO: 3650/114

MILITARY

SWEDEN

LIBERAL PARTY BACKS INCREASED ANTISUB, ANTIAIR DEFENSES

Stockholm DAGENS NYHETER in Swedish 16 Jan 86 p 8

[Article by Sven Svensson]

[Text] The telephone air-raid alarm system does not work with our modern telephone system. It seems that the Telecommunications Service believed that the Civil Defense Board would take care of the alarm system, while the Civil Defense Board thought that the Telecommunications Service was working on the problem.

This was stated by the Liberal Party in its defense motion on Wednesday, in which the party argued that the 1987 defense resolution should be based on the so-called plus level. This would mean that the military would receive an additional 500 million kronor annually for 5 years.

According to civil defense plans, about 100,000 families would be warned by telephone in case of an air attack. It is difficult for these families to hear signals from "Hoarse Fredrik" because they live too far away or, for example, have installed triple-glazed windows.

Trial runs with the telephone alarm system in a big city have demonstrated, however, that the modern telephone system cannot handle such a large-scale alarm in case of an air attack. In addition, the problem has been exacerbated by a petty "home-turf" mentality, since several different agencies are involved.

The Liberal Party emphasized the overall vulnerability of our electricity supply and telecommunications systems. If an attacking military destroys a few individual centers, then entire sections of the country would experience severe disruptions.

On the question of health care during a war, disagreements between the Association of County Councils and state authorities have also led to a fiasco, according to the Liberal Party.

According to the Defense Resolution of 1982, health care materials, including hypodermic needles, were to be purchased for 50 million kronor. Spending for the entire 5-year period was to be 250 to 300 million kronor, but because of the disagreements orders so far have been limited to about 10 million kronor.

Few Shelters

According to the Liberal Party, the future construction of air-raid shelters should be limited to areas in which the military threat is considered to be greatest. This means in the vicinity of military targets such as the staff offices in Ostermalm, the Swedish Broadcasting Corporation, and military regiments, for example.

With regard to the military defense, the Liberal Party wants the commander in chief to be given the assignment of working out a complete program based on the so-called plus level. With an additional 500 million kronor per year, the plus level means a total of 115 billion kronor, in fixed money value, for the entire 5-year period.

Within this framework, the Liberal Party wants to make certain changes by purchasing more sophisticated antiaircraft weapons, helicopters for transporting the sick and wounded, and antisplinter cover for soldiers. Army assault brigades, in particular, should receive higher allocations.

With regard to the navy, the number of submarines should increase and the mine systems should be expanded. One purpose for increasing the number of mines is to prevent foreign submarines from penetrating into Swedish military areas. Having more submarines would improve our ability to lay mines.

The ability of the air force to defend our air space should be improved steadily. It is important that Swedish industry maintain its ability to participate in the production of air-to-air missiles. Airborne radar and an improved base system are also seen as important.

Vulnerability Commission Revived

The governmental Vulnerability Commission (SARB), which was formally dismissed by the government, will be revived in a new guise.

It will receive a new name when it is moved from the Defense Ministry to the Justice Ministry, but its assignment will be the same.

According to officials at the Justice Ministry, this decision will be made by the government in the near future, perhaps as early as Thursday.

9336

CSO: 3650/114

MILITARY

SWEDEN

PAPER CHARGES ERICKSON ONLY SPREADS RUMORS ON SUB ISSUE

Stockholm DAGENS NYHETER in Swedish 17 Jan 86 p 2

[Editorial: " Submarine Hunt and Rumor"]

[Text] The effect of a statement depends primarily on the reputation of the person who makes it.

Edinburgh professor John Erickson is well known as a Soviet and defense expert. He has also been asked about the Swedish Submarine Defense Commission. A man of this type attracts much attention when he indicates that, during the Harsfjarden incident in the fall of 1982, Sweden was close to capturing a Soviet submarine, but put an end to the affair through secret Swedish-Soviet diplomatic negotiations in Geneva.

None of the material released by the Swedish side supports such a statement. Critics have raised this possibility repeatedly, however, in connection with the remarkable occurrence during the Harsfjarden incident, when a navy spokesman seemed to confirm that something had happened after a Swedish mine was detonated.

New denials have now been issued by then Foreign Minister Ola Ullsten who was chairman of the Submarine Defense Commission, Sven Andersson, a member of that same commission, Carl Bildt, and navy chief Bengt Schuback, former defense staff chief. Some may believe that such denials are part of the game, regardless of what happened. It remains to be demonstrated, however, that these people are part of a conspiracy of silence, in which several other persons also would have to participate.

When John Erickson calls for greater Swedish openness--a demand that can be readily supported--it should be pointed out that he is a man with definite critical opinions concerning Swedish neutrality. In a DAGENS NYHETER interview during the spring of 1984, he called it "stereotyped, stylized, inflexible, and outdated."

If we listen to what Erickson has to say about the submarine question, we see that his reasoning is remarkably weak. He "believes" that the Swedish navy had more success than has been indicated and that a Soviet submarine was in

"very grave difficulty." In any event, he is "almost sure" that the Swedes were able to "track" a submarine.

Erickson says that he has nothing against the diplomatic solution that he claims occurred, but he has contributed to the international rumor mongering that, unfortunately, without the slightest bit of evidence has made Sweden appear compliant.

9336

CSO: 3650/114

MILITARY

SWITZERLAND

EX-GENERAL STAFF CHIEF SURVEYS CHANGING THREAT, ARMAMENTS

Basel SCHWEIZER SOLDAT + FHD in German Dec 85 pp 7-8

[Interview with retiring chief of General Staff, Corps Commandant Joerg Zumstein, conducted by Major Laurent F. Carrel, date and place not given: "Corps Commandant Joerg Zumstein, Chief of General Staff Until 31 December 1985"]

[Text] [Question] It is the job of the chief of the general staff to assume responsibility for the material side of the army's preparedness for war. The military threat is the principal consideration in the build-up of our army. As a small country, we can exert little influence on its type and extent. What is your opinion of our war preparedness in the light of the military threat today and in the future ?

[Answer] As to the material side of our army's preparedness for war, I would consider it satisfactory. At present, there are no serious shortcomings. The system is well-balanced: we have enough equipment and supplies. The organizational structure is in keeping with our stated mission and the logistic support is secure.

The principle according to which the peacetime structure is to approximate the wartime structure, if possible, is beginning to bear fruit. Today, some elements are ready faster than they were just a few years ago. Controls and alerts carried out periodically offer proof of that.

Following a critical phase, our intelligence service has recovered once again and has consolidated itself. It is working well and ought to be capable of alerting us to possible danger in a timely fashion although the surprise element cannot ever be ruled out entirely.

Over the past few years, the reinforcement of terrain has made a lot of headway; the plans we worked out earlier are beginning to take shape. Our air defenses are quite satisfactory and the same can be said of our antitank defenses and artillery units. We have made particularly great progress in the organization, equipment and command structure of our medical corps and our civil air defense units. The army is providing valuable support in several coordinated activities of the overall defense effort.

But the material side is only one of the components of preparedness for war; another is the training and education of commanders and troops. Here, too, we have made significant progress. I am very pleased by the survival and character training courses for commanders and their subordinates which have been instituted by the chief of our training department. This will help improve war preparedness.

Nonetheless, I think that we could get a great deal more out of our troops, our equipment and other resources.

It appears that there still are some commanding officers who are more concerned about not wasting material than about training their units to deal with an emergency. Do not misunderstand me : I am not saying that we should spend lots of money on training. What I am saying is that we should get out the maximum every time. The army of a small country simply cannot afford to operate at 60 or 70 percent of capacity because in war only the highest possible performance ratings count. Nor am I proposing that we go in for waste in saying that we should beware of introducing our civilian type of insurance thinking into army operations.

[Question] In the nineties, the threat facing our country is likely to be a good deal more complex than it has been heretofore. How has the threat picture changed and what are the consequences for our small country ?

[Answer] People hardly listen to the prophet in his own land. In fact, I have no intention of making any predictions. But I am quite sure that the trends discernible in the armament sector today will widen to turn into very real threats in the future. Let me name a few:

In conjunction with improvements in transmission and the use of computers for situation display and analysis, for decision-making operations and the issuance of orders, the development of reconnaissance and target acquisition equipment will result in a significant acceleration of all processes. It could well be that our tactics which we are still inclined to view as an art because part of it is intuitive will be reduced to a kind of standardized combat technique. For the defender, camouflage and deception will assume a great deal of importance.

Accurate and guided ammunition adapted to the target medium will be in wide use and will create new types of defense and protection needs. The tactical importance of nuclear weapons is likely to decline. But it is to be expected that new kinds of area-covering weapons and/or weapons capabilities will take their place. In the forefront today are chemical and biological weapons. In the future, it will become more difficult to distinguish between them. We can also look for new terrestrial weapons systems or directed-energy weapons for use against aircraft to result from the superpowers' efforts to develop SDI and/or comparable systems.

It is conceivable that battle tanks have reached the limit of their development possibilities. Although some progress may still be made in terms of armor and weaponry, one might well ask whether it will make any sense in the foreseeable future to invest so much money into a weapons system which will never exceed certain specific performance limits.

I might add that this statement should not be applied to the procurement of a new battle tank for our army. Today, we still face the fact that the battle tank dominates the battlefield and that it will continue to do so for some time. I could imagine the battle tank being replaced by a new type of fighting machine at some time in the future which can be used alternately as a ground-based vehicle and some kind of hovercraft, which will combine the advantages of a battle tank with those of an attack helicopter.

It also seems to me to be a foregone conclusion that the capability for strategic offensive operations will decline among those nations where the people participates in government responsibility through pluralistic and democratic institutions. Freedom of travel across national boundaries by individuals and goods makes the nations grow closer together and leads to peaceful resolution of problems. On the other hand, the claim to absolute rule by totalitarian regimes could determine military events in our general vicinity in the foreseeable future. The presently recognizable danger that military conflict can be induced, enhanced and lengthened as a result of actions which are part of "hidden war" is likely to endure as will the probability that military conflict will erupt quite suddenly. Finally, we may expect economic, psychological, social and political developments in the future to provide the necessary conditions for increased terrorist activities.

The consequences which may arise for our country are the following: as before, we will have to rely on effective national defense to serve as the backbone of our overall defense posture. We will have to maintain part of our defense forces at a high state of operational readiness. Under the conditions described above, the traditional right of our people to bear arms will continue to have a certain significance. It is conceivable that the role of territorial defense will increase and that the mobile elements of our fighting forces will be reduced accordingly. Throughout the entire system reaction times will have to be reduced; our intelligence-gathering operations will have to be expanded accordingly. Defense against chemical and biological attack will have to be improved and this will also include civilian events, e.g. disasters.

To the extent that we will experience a growth in subversion, sabotage and terrorism, the will to hold together, the allegiance to our national community as well as watchfulness and the willingness to accept sacrifices will undergo additional strain.

The picture I have painted is not particularly amusing. But let us not dramatize the threat and remember that things do not have to get out of hand and that even in the next century any potential adversary will still only be human.

[Question] The chief of the general staff also has responsibility for future planning. What were the most important arms projects that were carried out or initiated during your term of office ?

[Answer] We acquired a second series of the F-5 Tiger fighter. A further segment of the "Skyguard" radar system for the modernization of our 35-mm antiaircraft batteries has been ordered and delivered. Additional artillery units are in the process of converting to the m 109 self-propelled howitzer as provided for in the 1979 armament program. Improvement of the 68 tank has been accomplished; all the tanks have been reequipped with arrow ammunition. Night operations capability of the army has been improved as a result of procurement of special flares and of the "Lyrar" illumination system for our armored units. Army transport has been improved through the procurement of 1,200 cross country trucks. This has enabled the army to carry out certain readiness exercises without having to requisition heavy trucks. We have initiated the procurement process for a modern battle tank--the biggest arms purchase ever for our army--and we are also preparing to buy a new automatic rifle. The resultant changeover from 7.5 to 5.6 mm is of great significance, since we will gradually be replacing the caliber which has been in use for almost 80 years in our infantry units and in non-service-related marksmanship. Our civil air defense units have received new equipment and the medical corps has received modern, cross country ambulances. For units whose duty station is stationary and who are otherwise inadequately protected we have purchased bullet-proof vests and for those who have been wearing their green training uniforms while on duty we have bought new camouflage suits. In addition to these projects, we have prepared and initiated dozens of smaller arms deals which cannot be cited here.

[Question] The procurement of arms is a difficult and complex matter. You have said that the arms business is literally being carried on in the marketplace and have spoken out against politicizing military affairs. What have your experiences been with the arms procurement process and with collaboration with parliament ?

[Answer] The establishment of the arms committee in March 1981 and the resultant control of the arms procurement process as well as the establishment of army guidelines on meeting defense needs within a given time frame corresponding to one legislative session have all worked out well. Here and there, particularly with respect to determining the cost of armaments, there is probably room for improvement; but I think one can safely say that all the major projects have been properly evaluated and readied for procurement. While we were evaluating the merits of the new battle tank the whole world was watching to see how a small copes with the question of modern arms technology. The United States,

which failed to get the contract, was fair enough to respect our decision and, in that sense, also underscored the correctness of the procedure we had followed. Over the past few years, we have not run into any real problems with respect to the arms program. There were reports of "scandals" in the media; but no proof was ever offered to substantiate the charges. All throughout, we have had good relations with the parliament--or I should say with the military committees of the government and with the parliamentary control committees and commissions. I think that the policy of openness and loyalty which we have followed has paid off. We did not embellish matters; we told the truth even when it hurt us. In the arms sector, after all, things do not always work out 100 percent. It is often very difficult even to arrive at the basis for a decision and even some of the intermediate decisions can sometimes have far-reaching implications.

[Question] You would like to see Switzerland play a more active role in peace policy. What are your reasons for this and what is your estimate of the possibilities ?

[Answer] In times past, we were a land of pioneers, known for being hard workers and as people willing to take risks. We ought not to descend to the level of a nation of shopkeepers and prosperity tourists which has taken out insurance against all eventualities. This is why I am in favor of our country making a commitment once again in foreign countries and overseas and proving by its deeds that solidarity and the willingness to help are not just empty phrases. We should be willing to take greater risks and make a stronger commitment to preserving the peace. Concretely speaking, I envisage the participation of Swiss experts in peacekeeping missions in foreign countries and also in efforts to provide aid in emergencies and natural disasters. The newly created possibility for members of the armed forces who volunteer for such missions to have service in foreign countries credited to their Swiss army service seems to me to be a first step in the right direction. Let us also not forget that those Swiss citizens who return home after taking part in such efforts will do a much better job back home both in civilian life and in the army.

9478

CSO: 3620/208

MILITARY

SWITZERLAND

AIR DEFENSE, HELICOPTERS SEEN EFFICIENT IN ALPINE CORPS

Frauenfeld ALLGEMEINE SCHWEIZERISCHE MILITAERZEITSCHRIFT in German
Jan 86 pp 11-12

[Interview with commander of 3d Alpine Army Corps, Col Corps Commandant Roberto Moccetti, conducted by Col Divisionnaire Frank A. Seethaler and Col Louis Geiger, date and place not given: "Alpine Army Corps Has Problems, Too"]

[Text] [Question] What is your view of the operational threat to the Alpine region in case of conflict in Central Europe ?

[Answer] Within the context of operations in Western Europe the Swiss Alpine region continues to be of importance. For one thing, there are major North-South arteries leading through this region which could play a role in case of fighting in Europe and particularly in case of a thrust from East to West. For another thing, this strong terrain in the heart of West Europe can play a role as an anchor or contact point for various options.

[Question] As compared to former times, e.g. the time of the French Revolution, would you say that the significance of the Alpine region has increased or decreased ?

[Answer] On the one hand, modern armies with their mechanized and/or motorized units will do their utmost not to carry out a thrust through this difficult terrain. On the other hand, the possibilities of support via the third dimension and the well developed road network (if it can be captured intact) would enable modern armed forces, too, to clear this obstacle quite handily. The significance factor, in other words, depends on the actual situation.

[Question] What role would you assign to the Alpine region in our own strategic thinking ?

[Answer] Given our own particular situation, the mountains are, in the first instance, an area which can be defended somewhat more easily and which offers us good possibilities to maintain the existence of our country. Our infrastructure, the reinforcement of the terrain and the obstacles create additional positive conditions for long-lasting defense.

[Question] Which type of adversary do you consider most dangerous: mountain troops, mechanized units, the threat from the air or a combination of all of these ?

[Answer] It is conceivable that the battle for the Alpine region would not start until after fighting in the lower-lying areas has ceased. But I could also conceive of operations starting in both areas at once. If you consider the fact that air support for our army in the lower-lying areas comes from the Alpine region and if you also take into account that this area contains reserve units and major installations which could have a decisive impact on fighting in the lowlands, an enemy might well be interested in interdicting this support at an early stage.

With regard to the threat, I would call your attention to the fact that helicopters have radically altered the mission of the defender in the Alpine region during the past 20 or 30 years.

In the Alpine region, the primary threat surely comes from the air. Airborne operations can have a decidedly adverse effect on the role of the defender. To begin with, the opponent is likely to make a mechanized advance along the roads and to commit the appropriate units to provide immediate fire support. If these efforts are blocked, he will try to attain his objectives through the air.

In either event, operations both in the Alpine region and in the Lower Alps will concentrate on the axes.

[Question] Could one say then that the combat picture in the Alpine region has changed as a result of two components: the threat from the air (in terms of fire preparation and airborne operations) and mechanized thrusts along the axes ?

What are the primary measures being taken to counter these developments ?

[Answer] To be sure, the numerous obstacles and our effective destruction network create good conditions for combat in the Alpine region; but what we need is greater mobility and firepower. The objective is to reach the enemy landing sites quickly and in superior numbers--both in terms of firepower and manpower. Generally speaking, this can only be achieved in the Alps through air mobility. Our infantry mobility, on the other hand, is limited to movements of 7 to 10 hours. For another thing, road mobility depends to some extent on the enemy's intentions. If a modern adversary wishes to interrupt movement along our roads, he can do so without destroying them by using chemical weapons.

With regard to greater firepower, what I am talking about primarily is artillery and antiaircraft weapons. We need to have strong air defenses in order to be able to intercept the enemy in time, i.e. before or during the course of landing operations. We must have an effective artillery in order to take the enemy under fire during the first few minutes after his units have landed.

[Question] But could one say that the greater firepower component at least is on its way toward being realized ? It does not look as good with regard to mobility, does it ?

[Answer] In part I would go along with you on the matter of greater firepower. We have made some progress in the artillery field. In particular, artillery support has been improved in the combat brigades which are responsible for operations in the Alpine region and the Lower Alps. In addition to the fortification artillery, we have also integrated the fortification mine launchers which are capable of providing effective support for battalions, even for regiments. We have also increased the number of our mobile howitzer batteries. This has really been a big progress. But as far as the mobile artillery pieces of the mountain divisions are concerned, we are exactly where we were 30 years ago. In my view, the biggest gaps still exist in our air defense. In this regard, too, there has been some improvement at the combat brigade level. But essentially we have been unable to keep pace with the developing threat. For this reason, there are urgent needs in this field. Both in the Alpine region and in the Lower Alps, antiaircraft cannons, supplemented by light antiaircraft missiles, can be very effective.

The limitations of infantry mobility and road movement as well as the non-existence of air mobility have resulted among other things in the fact that the combat brigade represents the higher tactical level in the Alpine army corps. The division cannot be employed as a tactical unit because the division commandant is unable to coordinate fire and movement at a specific time and place--also due to the highly compartmentalized nature of the terrain.

[Question] Has this resulted in the "brigadization" of the Alpine region ?

[Answer] It is true that we here in Switzerland have many levels of command in the area of Alpine combat.

If I compare our system to the Italian CA alpino for example, I find that the Italians do not have units at the regiment or division level--which means that they have two levels of command fewer between their battalion combat groups and the corps.

But if I take the integration into combat of stationary units into consideration as well as their collaboration with freely available units, then I must say that the present solution--cumbersome as it is--is probably appropriate at this time. "Brigadization," in terms of previous articles which have appeared in this journal, would severely restrict the freedom of action of the supreme commander and of the Alpine army corps commandant and would place additional burdens on the combat brigade commandant. This should also be avoided because we wish to take full advantage of our citizen army. In my opinion, command of the division

should be assigned to professional soldiers in the first instance but that command of the combat brigades should be in the hands of officers of the militia as much as possible.

[Question] We have a question on the subject of destruction networks and terrain reinforcement: have the unit commanders and platoon leaders been able to integrate the facilities for which they are responsible into their thinking ?

[Answer] Thanks to the efforts of our commanders, the integration of demolition objects into our plans has made good progress. The commanding officers at all echelons realize the importance of these objects. We are also making good progress in the area of destruction leadership which places great responsibilities on the individual commanders. The stated objective of all commanding officers is to achieve the tactical integration and timely functioning of the destruction network.

[Question] Among other things, military training is supposed to toughen those who undergo it. In most instances, conditions in the mountains are rough and harsh. On the other hand, the platoon leaders and unit commanders are responsible for seeing to it that clothing, nourishment, etc. appropriate to the climate are provided. Doesn't this present something of a dilemma for the younger commanders with regard to stating needs and providing support ?

[Answer] I don't think so. Anyone who does not take good care of his unit cannot really lead it. The commandant is the boss; he is the one who achieves an objective thanks to his own performance and that of his subordinates. If he realizes that, he will be able to find the golden mean between asking the men under him to perform and taking good care of them. Due to his position, the commanding officer is the one who will have to intervene whenever the time comes to resolve a problem. In that sense, the position of commander contains aspects of goal-oriented dedication which makes no concessions to creature comforts as well as aspects of caring for his men out of a respect for them as human beings and in recognition of the fact that good human relations serve as the basis for independence and loyalty on the part of his subordinates.

[Question] It may be assumed that the principles of antitank defense in the mountains are the same as those in lower-lying areas. Now you have said that the principal threat in the mountains comes from the air. The advent of the helicopter has made the hard-to-climb back slopes of mountains an illusory line of defense.

What does an infantry unit do which has been assigned to a back slope with antitank weapons and which has been spotted by attack helicopters ?

[Answer] Your question underscores my call for improving our air defenses. Attack helicopters relativize the value of a good many obstacles--even those very good ones on back slopes. But one must also be realistic

about what helicopters can effectively do in our type of terrain. To meet this threat, we need the proper resources (e.g. antiaircraft weapons and, to some extent, also antitank weapons against helicopters) and we must also assign high priority to "antiaircraft defense of all weapons."

We failed to mention one thing in our discussion of the threat from the air. The large amount of supplies available to the 3d Alpine Army Corps enable us to mitigate the threat of airborne operations to some extent in that we are in a position to occupy key terrain in advance.

[Question] We might also mention that the actual key terrain has already been "furnished" with permanent installations, i.e. fortifications which makes it possible to occupy additional areas thanks to the abundant supplies. In practical terms therefore we can cover the entire area.

[Answer] As we look at these permanent installations, we should also keep their protective function for the men in mind--particularly in such mountainous terrain which provides for so little cover. It is these installations which guarantee the survival of our forces, thereby maintaining combat effectiveness and enabling us to commit these forces to battle.

[Question] What are the priorities today in your opinion ?

[Answer] Today, air mobility is not only a need of the Alpine Army Corps; there is a need for transport helicopters throughout our armed forces. Because of the multifaceted threat today, it is becoming more and more conceivable to make use of combat groups of the Alpine Army Corps in the lower-lying areas. Providing timely transport for them depends to a large extent on air mobility.

Now that we have made a lot of progress in our antitank defenses, I am asking myself whether our armed forces do not have a greater need for transport/attack helicopters (one type of helicopter can serve both functions) than antitank helicopters. We must look into this question very carefully and try to find an answer.

Let me conclude by saying that both the officers and men of the Army Alpine Corps are committed to optimize the available resources and to make their specific contribution to the maintenance of peace and independence through goal-oriented efforts and a commitment to military preparedness.

9478

CSO: 3620/207

ECONOMIC

FINLAND

BRIEFS

MEDICAL TECHNOLOGY PACT WITH USSR--A Finnish-Soviet medical technology pact for hospital technology and pharmacology has been signed in Helsinki. The Soviet Union is the most important export country of the Finnish pharmaceutical industry. We export hospital equipment worth 8 million rubles or almost 60 million markkas per year to the Soviet Union. Altogether the pharmaceutical industry exports 30 million rubles, i.e. 210 million markkas, worth per year to the Soviet Union. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 6 Dec 85 p 21] 9662

CSO: 3650/94

TO: WORTH

GREECE

DRACHMA DEVALUATION NO HELP FOR EXPORTS

Adhops I KATHIMERINI in Greek 28 Jan 86 p 7

(Text) The value of Greek exports in November showed a vertical drop when compared to November and October 1985.

Specifically, our exports decreased to 377 million dollars in November, showing a significant drop of 23.7 percent compared to November 1984, and an even greater drop -- 30.3 percent-- when compared to October 1985.

This, in essence, shows that the benefits from the drachma devaluation were really short-lived, while at the same time the estimates made by exporters were confirmed, namely that the promotion of our goods needs more substantial measures and more restraints on domestic costs.

Between January and November 1985, overall exports amounted to 4.130 million dollars showing a drop of 7 percent compared to the corresponding period of 1984 (4.439 million dollars). This drop was greater by two percentage points (-9.1 percent) if petroleum products are not included. As described in the monthly Bulletin of the Center for Export Studies, the picture of agricultural products exported was clearly more unfavorable than that of industrial goods. As for distribution by geographic area, a bigger drop was evidenced in exports to countries of the Middle East and North Africa.

In November 1985, exports amounted to 377 million dollars, i.e. they showed a 23.7 percent drop compared to November 1984 (495 million dollars). This drop becomes slightly less (-21.8 percent) if we do not include the value of exported petroleum products. Also to be noted is the variability in the export picture that has been observed in the last 3 months of the 11-month period: From 296 million dollars in September to 543 million dollars in October (the "worst" and "best" months respectively in the 11-month period) and then to 377 million dollars in November, as mentioned above.

With regard to the decrease rate in exports, a slowdown was noted from June until October (with September being the exception). Nevertheless, during November, the decrease rate accelerated. More specifically, the decrease rates in exports was as follows: -10.3 percent, -9.3 percent, -7.8 percent, -8 percent, -4.6 percent and -7 percent during the first 6 months, 7 months, 8 months, 9 months, 10 months and 11 months of the current year respectively, compared to the same periods of last year.

End
OSD: 3521/84

ECONOMIC

GREECE

BRIEFS

DISAPPOINTING AGREEMENT WITH LIBYA--Yesterday, the government, under pressure by the opposition, admitted the ineffectiveness of our foreign policy because of the way it is being implemented. The government indirectly but clearly admitted that no substantial progress had been noted in the "mammoth" agreement with Libya that was signed a month and a half ago during Prime Minister A. Papandreou's trip to Tripoli. In answer to a question by ND Deputy A. Andrianopoulos, Deputy Minister of Foreign Affairs I. Kapsis repeated the answer given by Minister of Foreign Affairs Kar. Papoulias according to whom "the full and definite development of the Greek-Libyan agreement will become possible during the convening of the joint Greek-Libyan committee on 24-27 February." Mr Kapsis, in a desperate effort to show the Chamber of Deputies a picture of progress in Greek-Libyan economic relations, mentioned reports published in some opposition newspapers according to which "an influx in the order of 200 million dollars has already come about." In a strong rebuttal, Mr Andrianopoulos asked if the government were responsibly declaring that there has really been an influx in the amount mentioned. Mr Kapsis maintained that reports on the 200 million are not being presented as information to the Chamber of Deputies because they do not constitute official data. /Excerpts/ /Athens I KATHIMERINI in Greek 25 Jan 86 p 1/ 5671

CSO: 3521/84

ECONOMIC

ICELAND

PARLIAMENT PASSES BUDGET FOR 1986

Reykjavik MORGUNBLADID in Icelandic 21 Dec 85 p 48

[Article: "Budget Bill Passed Today: Expenses Have Increased By 4.3 Billion Kronur"]

[Text] The third debate over the budget bill took place yesterday in the Althing, and it was voted on today. Quite a number of change resolutions have been presented by both the majority and the minority members of the monetary committee and by individual MPs, and it is expected that it will take some time to consider all of them.

Palmi Jonsson, the chairman of the monetary committee, introduced the bill in yesterday's debate, explaining those changes which had been made by the committee since the close of the second debate. It came out in his speech that if the bill was ratified, as the majority suggests, the final figure in the "income" column would amount to 37,853.7 million kronur, although only 33,539.5 million was shown when the bill was first proposed. The increase, then, amounts to 4.3 billion kronur.

Jonsson said that, according to these final figures, the government's income from taxes for next year would only take some 28 percent of the gross national product, which is estimated to amount to 136 billion kronur.

Expenses in the budget bill have increased since the second debate by 4,361.0 million kronur, amounting to a total of 37,670.7 million kronur. Surplus income in the working overview of the budget will then amount to 183.0 million kronur, according to the proposals approved by the majority.

The major part of the increases on the debit side of the proposed budget are the result of increases in price and salary stipulations in the budget. The salary increase stipulations in the budget proposals as of the third debate are calculated at about 12.2 percent, with some exceptions. This 12.2 percent raise was arrived at by first calculating a four percent increase in salaries between the intended proposal and that which actually was produced for the end of 1985. In addition, according to the decision of the government, a ten percent raise in salaries was calculated from the end of 1985 to the level

which has been arrived at in the budget bill. In the third place, this figure also includes a decrease of some two percent, in accordance with the government's thriftiness plan, which was announced at the time of the first debate.

Geir Gunnarsson (People's Alliance) criticized the fact that the figures on price levels did not seem to have been correctly calculated in the bill. He mentioned that instead of raising salaries some 14.58 percent as indicated in the bill, in accordance with information from the National Economic Institute on debits and credits, that salaries actually would be raised some 12.2 percent. Operating expenses, he said, had increased similarly in the budget bill, showing 15.4 percent instead of 17.5 percent, as indicated by information from the National Economic Institute on price developments for next year.

"And so, in sum, we are talking about a gap on the expenses side of the ledger, involving some 250 to 300 million kronur, which has not been explained away except by the old bromides about austerity. But promises of this kind, when you relate them to what is actually paid out in the budget, have always been meaningless, and our expenses have increased anyway," Gunnarsson said.

At the end of his speech, Gunnarsson said that our budget payments had the look of a desperate attempt to get all the ends tied up on paper, even though what we are talking about is a genuine deficit in our economy.

[Table on following page]

1986 Budget

Treasury payment summaries according to change proposals presented by the finance committee, approved after the third debate by the majority of the finance committee, the cooperative communications committee and the MPs in the cultural committees of both houses.

Operational Ledger	Million kronur	Million kronur
Income		37,854.0
Expenses:		
Operational		32,811.2
Common consumption	13,867.3	
Consumption and operational supplements	16,268.2	
-Special agency incomes	-1,131.3	
Capital expenses, interest	3,807.0	
Balancing		5,042.8
Investment		4,871.5
Foundation costs	1,857.0	
Capital supplements	3,014.5	
Income above and beyond expenses		171.3
Loan Developments:		
Payments		2,559.0
Payments on loans taken out	4,405.0	
Incoming payments on loans granted	-1,846.0	
Loans granted		960.0
To B-section of treasury	960.0	
Capital and foundation funds		100.0
Trade accounts		1,150.0
Exports over imports	1,150.0	
A-section's need of loan funds		4,597.7
Loans taken out		4,650.0
Domestic issue of money certificates	2,100.0	
Foreign loans taken out by national treasury	2,550.0	
Payment balancing, changes in treasury		52.3

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LARGE TRADE DEFICIT FOR FIRST TEN MONTHS OF 1985

Reykjavik MORGUNBLADID in Icelandic 21 Dec 85 p 4

[Article: "Portugal, United States and Britain Our Most Favorable Trading Partners"]

[Text] Iceland's balance of trade for the first ten months of this year was in the red to the tune of almost 3,600 million kronur, using f.o.b. values on exported goods and c.i.f. values on imported goods. If f.o.b. prices are used in both instances, that is, if the shipping costs are not calculated in, the trade deficit then amounts to 447 million kronur. Trade with the United States has proven to be the most economically favorable for Icelanders, since we exported 7,685 million kronur worth of goods to that country simultaneously to our purchasing 1,862 million kronur worth of American goods.

Goods exported to the United States amounted to 28.3 percent of our total exports from January to October of this year. Our imports of American goods, on the other hand, only amounted to six percent of total imports. The major part of the goods purchased by the Americans were marine products, the value of which came to some 7,000 million kronur, or almost 35 percent of our total marine products exports. They also bought manufactured goods valued at 569 million kronur, agricultural products valued at 48 million kronur, and other goods valued at 7.5 million kronur.

Iceland's second favorable trading partner for the first ten months of the year was Portugal, with which we had a favorable balance of trade amounting to 1,047 million kronur. The Portuguese bought goods from the Icelanders amounting to 1,865 million kronur, at the same time as their exports to Iceland amounted to 818 million kronur. It was chiefly marine products, especially unprocessed salt fish, which the Portuguese bought. Our exports to Portugal amounted to 6.9 percent of our total exports.

Our trade with Britain was also favorable, just as it was with the other two nations above mentioned. Our exports amounted to 4,821 million kronur, whereas British goods imported into Iceland amounted to some 3,000 million kronur. The trade was thus in Iceland's favor, to the tune of 1,787 million kronur. The British purchased marine products amounting to 3,989 million kronur, agricultural products amounting to 48 million, manufactured goods

amounting to 753 million, and other goods amounting to approximately 30 million kronur. Our exports to Britain amounted to 17.7 percent of our total exports.

Our trade with West Germany for the first ten months of the year showed an unfavorable balance for Icelanders amounting to 1,938 million kronur. The West Germans bought Icelandic goods valued at 2,118 million kronur, while the Icelanders bought from them goods amounting to some 4,000 million kronur. Exported marine products came to 980 million kronur, manufactured goods 1,059 million kronur, and agricultural products 46 million kronur. Goods exported to West Germany amounted to some 7.8 percent of our total exports.

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ECONOMIC

ICELAND

FINANCE MINISTER INTERVIEWED ON GOVERNMENT ECONOMIC POLICIES

Reykjavik MORGUNBLADID in Icelandic 19 Dec 85 p 10

[Commentary by 'Staksteinar': "Finance Minister Replies"]

[Text] Thorsteinn Palsson, chairman of the Independence Party and minister of finance, held a press conference in a TV studio last Tuesday evening. He came away whole and uninjured from his first experience in the role of a finance minister on television. It has been a long time since television audiences have had the opportunity to observe a discussion of such weighty import, relating to how government finance is managed and the policies which are followed in connection with it. Today's 'Staksteinar' talks about some of the items which came up for discussion on television.

Nothing Said About Freethinking

It was Pall Magnusson, television newscaster, Oskar Gudmundsson, editorial representative for THJODVILJINN, and Elias Snaeland Jonsson, co-editor of DAGBLADID-VISIR, who interviewed Thorsteinn Palsson. The interviewers should be praised for the fact that they stayed on the topic at hand, that they did not succumb to the temptation to interrupt the discussion in progress by asking more broadly-based political questions. On the one hand, it is clear that significant discussions of the kind that was held with Thorsteinn Palsson demand just as much of the interviewers as they do of the interviewees. People who work in the media have to have this fact uppermost in their minds when they take it upon themselves to discuss matters with politicians and other people. It is a rule that must be cultivated in interview programs of this kind that the discussants talk with each other in order to shed light on the subject, and not to cut each other down. It is patently unfair, though, to even bring this up in connection with Thorsteinn Palsson's recent appearance in the TV studio, since he did not deviate at all from the subjects under discussion, but rather maintained his position firmly and in a well-grounded fashion.

After long speeches from the governmental opposition, and not the least from the people at THJODVILJINN, saying that Thorsteinn Palsson was the most prominent exponent of freethinking here in Iceland, and every bit as hard-bitten as Margaret Thatcher and Ronald Reagan, you might expect the finance minister to come under attack based on these assumptions. But the opposite occurred. The interviewers seemed to be proceeding on the assumption that restraint was the better tactic. Too much money had been taken out in foreign

loans and it ought rather to be put to use in the management of public funds rather than to yield anything left over. Not one word was said about freethinking. On the other hand, more emphasis was placed on having it explained why Palsson had not been able to forestall the foreseeable deficit in the national treasury this year, which has exceeded two billion kronur. The minister said that 1,400 to 1,500 million of these funds could be attributed to increases in salaries and insurance benefits.

Change of Focus

It came out in what the minister said that a new policy has been followed in drawing up next year's budget. "There has been a major change of focus," the minister said. The change consists in putting greater responsibilities on the national treasury than previously, with the idea of increasing the purchasing power of salaries. It was not to be anticipated that salaried workers would have to face cutbacks in their economic well-being. Under the economic policies that were followed after the government was formed in 1983, the salaried workers suffered; now the time was more than ripe for the government to shoulder whatever it could.

We expect to find out after the third budget debates this weekend what the final budget decisions will be. Thorsteinn Palsson said that he no more than anyone else could promise that these new laws would be more substantial than what we have seen often before. Nor did he wish to mention any statistics on goals in the campaign against inflation, but did say that it would be under the 30 percent mark next year. This was reasonable of him. Too many politicians have too often fallen into the trap of making empty promises by listing the anticipated statistics for next month.

In the editorial column in day before yesterday's DAGBLADID-VISIR, it says that government agencies such as the National Economic Institute and the Central Bank are always "distributing statistics and forecasts which are favorable to the government, which come close to being childishly optimistic in matters of finance and national economy." These words demonstrate a deep-seated skepticism both of politicians and of government officials. The interview with Thorsteinn Palsson was not at all characterized by "childish optimism." It is clear that prognostications on the development of the economy do not have the same validity in the mind of the man in the street that they used to have. But it ought to be better documented than it was in the abovementioned editorial column if they are to insist that we can look upon the Central Bank and the National Economic Institute as "inefficient campaign headquarters for those in power." Media representatives can lose their credibility if they misrepresent things, just as other people can. And now we have come back to what we mentioned at the beginning, that the responsibility of media representatives is no less important than that of politicians and officials, when we are talking about the discussion of financial and economic matters. The finance minister's grasp of what was discussed on television on Tuesday night ought to be a clear reminder to the mass media that they, no less than other people, need to do their homework before they appear in front of the entire nation.

ECONOMIC

ICELAND

INSTITUTE EXPECTS TWELVE PERCENT DROP IN INFLATION FOR 1986

Reykjavik MORGUNBLADID in Icelandic 24 Dec 85 p 34

[Article: "Twenty-Two Percent Inflation Anticipated for 1986; Similar Pricing Developments to 1984"]

[Text] The records and prognostications of the National Economic Institute concerning changes in prices, salaries, and the exchange rate for 1984, 1985 and 1986 will be taken into account when the national budget is being drawn up. Here are the pertinent figures, just as they appeared in the Institute's publication, NATIONAL ECONOMY.

Production Rates

--Average increase over the previous year: 25 percent in 1984; 32.5 percent in 1985; 28 percent anticipated for 1986.

--From the beginning to the end of each year: 22 percent in 1984; 32 percent in 1985; 22 percent anticipated for 1986.

Construction Rates

--Average increase over the previous year: 22 percent in 1984; 32 percent in 1985; 28 percent in 1986.

--From the beginning to the end of the year: 20 percent in 1984; 35 percent in 1985; 20 percent anticipated for 1986.

Loan Opportunity Rates

--Average increase over the previous year: 33.5 percent in 1984; 30.5 percent in 1985; 29.5 percent anticipated for 1986.

--From the beginning to the end of the year: 19 percent in 1984; 35.5 percent in 1985; 21.5 percent in 1986.

Sales Taxes

--Average increase over the previous year: 19.5 percent in 1984; 32.5 percent in 1985; 24.5 percent anticipated for 1986.

--From the beginning to the end of each year: 26 percent in 1984; 29 percent in 1985; 18.5 percent anticipated for 1986.

Daily Salaries, Icelandic Federation of Labor

--Average increase over the previous year: 24.5 percent in 1984; 36.5 percent in 1985; 28 percent anticipated for 1986.

--From the beginning to the end of each year: 27.5 percent in 1984; 37.5 percent in 1985; 22 percent anticipated for 1986.

Income Per Person

--Increase from one year to the next: 28 percent in 1984; 36 percent in 1985; 28 percent anticipated for 1986.

Purchasing Power of Individual Income

--Change from year to year: one percent decrease in 1984; three percent increase in 1985; no change anticipated for 1986.

Average Value of Foreign Currency

--Average increase over the previous year: 16.5 percent in 1984; 28 percent in 1985; 21.5 percent anticipated for 1986.

--Increase from the beginning to the end of each year: 26 percent in 1984; 18.5 percent in 1985; 18 percent anticipated for 1986.

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ECONOMIC

ICELAND

INSTITUTE PUBLISHES STATISTICS FOR 1981, FORECAST FOR 1986

Reykjavik MORGUNBLADID in Icelandic 21 Dec 85 p 88

[Article: "Inflation 34 Percent from Beginning to End of Year; Trade Deficit Approximately Five Billion Kronur"]

[Text] The 1985 labor market was characterized by a high demand for labor, according to the December issue of NATIONAL ECONOMY DIGEST, which is published by the National Economic Institute. Unemployment statistics for 1985 have involved under one percent of the working-age population, compared with 1.3 percent last year. Inflation, on the other hand, has been somewhat higher than was estimated in late summer, amounting to 34 percent from the beginning to the end of the year, instead of the estimated 30 percent.

Considering changed conditions in prices, the government has decided to adjust next year's budget to accommodate a 28-29 percent average price increase between 1985 and 1986.

The gross national product increased some 2.5 percent in 1985, a somewhat lower figure than in 1984. The net national product increased somewhat less, as a result of increased interest payments on foreign loans. A 2-percent increase is anticipated in the gross national product, but only a 1.5-percent increase in national income for 1986. The slow economic growth is anticipated as a result of worsening trade opportunities.

Household incomes increased some 36 percent between 1984 and 1985, during the same time period that the average change in the rate of production was calculated at 32.5 percent. This means that the purchasing power exerted by income in 1985 was some 3-4 percent higher than in the previous year. The purchasing power of combined sales taxes, on the other hand, has remained the same. The government's economic agenda anticipates very little change in the purchasing power of individual incomes in 1986.

In the prognostications for next year, a five percent increase is estimated in the fish catch and in the production of goods from the sea, involving 340-350 thousand tons of cod and 900 thousand tons of capelin.

The deficit in our balance of trade relative to the outside world will amount to approximately five billion kronur, that is, including not only goods, but services as well, which amount to some 4.5 percent of our gross national product. A 3.5-4 percent trade deficit is expected next year.

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ECONOMIC

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SOVIETS TO BUY SLIGHTLY LESS FISH IN AGREEMENT FOR 1986

Reykjavik MORGUNBLADID in Icelandic 19 Dec 85 p 2

[Article: "Soviets Buy One and a Half Billion Kronur Worth of Fish"]

[Text] Agreements were signed last Tuesday involving the sale of 26,000 tons of frozen fish to the Soviet Union during the course of the coming year. This figure is 1,000 tons lower than last year, since the decrease in perch fishing, as well as limited production capacities, has proven prohibitive to our supplying a larger quantity.

Olafur Gudmundsson, a general secretary at Freezing Plants Sales Center, said in an interview with MORGUNBLADID that on top of the decrease in perch fishing, the market for frozen ocean perch has increased substantially in the United States, Europe and Japan. Our stock of ocean perch has been large in the past few seasons and it has been difficult to sell it. We have, therefore, requested the Soviets to increase their purchases of this fish, but such will no longer be the case.

The agreement covers the sale of 14,000 tons of ocean perch filets and 6,000 tons of pollock filets. It is further expected that the Soviets will buy 6,000 tons of fish frozen whole. The total sales value of these products comes to 37 million dollars, or about one and a half billion kronur. The average increase, in kronur, is said to be 11.6 percent, in accordance with the increase on the relevant types of fish on other markets.

The negotiations were conducted by Benedikt Gudmundsson, a general secretary at Freezing Plants Sales Center, and Olafur Jonsson, sales chief of the marine products division of the Union of Icelandic Cooperatives.

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SWEDEN

FELDT SUBMITS ANOTHER TIGHT BUDGET, WAGE PACT COULD UNDO

Municipal Aid Funds Cut

Stockholm DAGENS NYHETER in Swedish 10 Jan 86 p 1

[Article: "Feldt's Fourth Budget Released Too Early--Living Costs Rise For All." First paragraph is DN introduction.]

[Text] Municipalities are squeezed and living costs will rise under the budget presented today by Minister of Economy and Budget Kjell-Olof Feldt. For the first time in 7 years the deficit is pressed down below 50 billion.

The total budget stands at 335 billion kronor. Interest on the national debt is the largest individual item, 71 billion.

Feldt wants the help of the labor market to push inflation down below five percent through a 3-year wage agreement. In return he promises to reduce marginal taxes in 1987 and 1988.

The budget contains only small tax changes, but it is clear that wine and spirits taxes will be raised in the spring.

As for savings, Feldt went ahead with a cheese slicer, but the municipalities lost 2.5 billion in contributions to teacher salaries, child dental care, roads and public transportation.

Minister of Housing Hans Gustafsson calculates the guaranteed interest and is saving 600 million. That means a rent increase of 50 kronor per month in multifamily houses and 150 kronor in certain small houses beginning 1 July. Housing allowances will, however, be increased.

The handicapped and the conscripts and their families are among the few groups which will get increases. Sports are protected for the third year in a row. Compensation from the unemployment fund is increased by only 20 kronor per day, which is criticized by all union leaders.

Late on Thursday the finance ministry lifted a prohibition on publication of the budget which previously was effective until today at 11 o'clock. The

reason was that the Social Democrats' own newspaper AKTUELLT I POLITIKEN broke the agreement on publication time.

VPK Leader Vows Opposition

Stockholm DAGENS NYHETER in Swedish 10 Jan 86 p 1

[Article: "VPK Chooses to Fight--Feldt Must Seek Nonsocialist Support" First paragraph is DN introduction.]

[Text] VPK [Communist Left Party] leader Lars Werner sounded the attack against the government's budget. "It is a nonsocialist budget which VPK cannot take responsibility for in the Riksdag."

In order to get through many of its proposals then, the government must seek support from the nonsocialists. They are critical of many points, but stand together on savings in the municipalities.

"It is immoral to have promised before the election not to disturb money for the municipalities and then do just the opposite today," believe both the Liberal Party leader Bengt Westerberg and the Conservative Party leader Ulf Adelsohn.

Concern for the low economic growth rate is common in commentaries from members of the labor market. They fear that inflation will be too high and they want lower interest rates.

The head of LO [The Trade Union Confederation] Stig Malm believes that distribution policies must come more to the fore.

Wage Pact Unknown Impact

Stockholm DAGENS NYHETER in Swedish 10 Jan 86 p 9

[Article by Sven Svensson: "Wages Are The Uncertain Card" First paragraph is DN introduction.]

[Text] The government's possibilities to bring order to Sweden's economy depends on the 1986 wage negotiations.

In the financial plan finance minister Kjell-Olof Feldt prefers a 3-year agreement without comprehensive ties to the cost of living index, but civil servants are protesting against that, especially in the national and municipal employee organizations.

Wages are the most uncertain card in the government's entire budget. It is probable that the outcome of the 1988 election will be determined by how well the government succeeds in fighting inflation.

On Monday the government will meet with representatives of organized labor to inform them of the direction of the economic policy and the tax policies for 1987 and 1988.

The point of departure for the economic policy is that inflation will be fought primarily by savings in public expenditures and by keeping the rate of increase of wages and other costs low. For 1986 Kjell-Olof Feldt estimates a real wage increase of 0.5 percent. The rise can be compared with the fact that real wages during the period 1978-83 sank by 12-13 percent.

Wage Drift

In the year's financial plan Kjell-Olof Feldt confirms that hourly wages for 1986 will rise an average of 5.5 percent without any general increases in the coming wage negotiations. The increase will result from "overhangs" from previous wage agreements and from calculated wage drifts.

The overhang for state and municipal employees in 1986 amounts to 6.5 percent, and within the private sector to 1.5 percent. Wage drift within the private sector is reported to be three or four percent and therefore the average hourly wage increase will be 5.5 percent.

Already these wage increases are too large in the light of Sweden's ability to compete, according to Kjell-Olof Feldt. Even without extra increases the rise in wages in Sweden will be greater than in competing countries, and furthermore their productivity is increasing faster than Sweden's.

In the financial plan, therefore, Feldt emphasizes that it is necessary to stabilize price and cost increases at a low level for a long time to come, since a new devaluation is totally out of the question.

It is therefore desirable to have a wage agreement which extends over a several year period. The credibility of the anti-inflation policies would be strengthened considerably if an agreement at a low level could be reached for a 3-year period, for example, wrote Kjell-Olof Feldt.

A multiyear agreement without comprehensive indexing clauses would facilitate the solution of the cost overhang which exists in certain agreement areas. Feldt is primarily critical of price increasing and wage increasing clauses, but he doubts that a multiyear agreement can be concluded without public employees getting a flexibility guarantee relative to the private sector.

New Tax Scales

Despite several labor organizations being opposed to a 3-year agreement, Feldt believes that conditions for attaining the goal are improved. The agreement ran out at the end of last year, and tax increases in the budget will be moderate. The government is also prepared to put forth proposals for new national tax scales for 1987 and 1988.

If wage developments for the coming years in the municipalities and businesses should diverge from what is desirable, the government will not hesitate to take corrective action, wrote Feldt.

The government can do nothing about too large cost increases except to try to reduce the negative effects by drawing in purchasing power through tax increases.

During recent years the GNP has increased by about 2.5 percent per year. For 1986 it is indicated to be 1.6 percent, which is 0.5 percent more than what the National Institute of Economic Research estimated.

Feldt expects that inflation will decline from 5.5 percent in 1985 to 4 percent by the end of 1986.

Automobile Business

Private consumption increased strongly during 1985 by about 3 percent. Especially strong growth was seen in automobiles, radio/TV, clothing and sport equipment. In 1986 private consumption is expected to grow by 1.5 percent. At the same time it is important to hold back the increase of municipal consumption. Feldt is intervening, therefore, in different ways to draw money from the municipalities. Industry and employees there will be urged to create order in the Swedish economy.

Swedish Economy 1983-1986--Annual percent of change unless otherwise stated:

Item	1985	1986	IER(1) 1986
Private consumption	2.8	1.5	1.2
Public consumption	0.9	1.4	1.6
State	-1.0	-0.9	-0.1
Municipal	1.7	2.2	2.2
Gross investments	6.3	0.5	-3.1
Of which industrial	19.2	5.0	0.0
Stock investment (2)	1.1	0.4	0.3
Export	2.0	4.5	4.6
Import	8.1	4.9	3.8
GNP	2.2	1.6	1.1
Employment (number of persons)	+43,000	+25,000	
Unemployment (percent)	2.9	2.9	3.1
Consumer price (Dec-Dec)	5.7	4.2	4.4
Trade balance (billions of kronor)	15.0	18.2	
Current account balance (billions of kronor)	-10.3	-5.3	-2.7
Budget balance (billions of kronor)	-55.0	-50.0	

Footnote (1). IER = Institute of Economic Research

Footnote (2). Changes of stock investment in percent of previous year's GNP.

Sources: The financial plan and the December report of the Institute of Economic Research.

Not Abroad

Every decline of the price of oil by one dollar means one billion in foreign business for Sweden.

The budget deficit, which in 1982 went up to 83 billion, is estimated to sink to 49 billion. Much of the decline results from wages increasing less than expected. By 1988 the budget deficit must decline to 40 billion.

Economists Give Assessment

Stockholm DAGENS NYHETER in Swedish 10 Jan 86 p 9

[Article by Jan Magnus Fahlstrom: "Economists Are Positive to Financial Plan--'Feldt Has Rotten Luck'" First paragraph is DN introduction.]

[Text] Sweden's GNP, the total production of goods and services, is rising by 1.6 percent per year in fixed prices.

That was the finance minister's forecast of the balance of resources in the financial plan, with the key figure for the Swedish economy.

Thereby the economic growth is lower in 1986 than in the two previous years. For a long time Sweden has been below the average for the 24 members of the OECD, and is fifth from the bottom in growth.

Still Feldt expects higher growth in the Swedish economy during 1986 than what other business forecasters have done in their latest forecasts. As the table shows, even by comparison with the December report of the Institute of Economic Research.

The National Institute of Economic Research (IER) which has increased its forecast of growth for 1986 from 0.5 percent last fall, stops at 1.1 percent compared with Feldt's 1.6. Differing from IER, Feldt believes that both the total gross investments and the industrial investments will continue to grow.

According to IER, housing investments are going to decline by 11.2 percent, and according to Feldt by only 2.1. Feldt has lower figures also for inflation and unemployment, etc.

Benevolent

Does this mean that the finance minister has succumbed to "professional optimism," and will give us an unrealistically polished picture of what to expect from the Swedish economy in 1986?

DAGENS NYHETER asked this question of a number of economists who are responsible for forecasts for banks and organizations. As for their judgments of the financial plan and its balance of resources, they were overall rather benevolent in their criticism.

"A well-organized and unusually excuse-free description of the economy," said Ola Virin at the Federation of Swedish Industries. "He does not take exception to the figures in the balance of resources. 'That can very well be true,' he says. From the standpoint of industry his financial plan is very positive."

P-O Edin at LO, Roland Spant at TCO [Central Organization of Salaried Employees] and Hubert Fromlet at Sparbankernas Bank noted that Feldt's balance of resources was well in line with their own estimates. The differences were said to be within the forecasters' margin of error.

Later Figures

Ola Virin pointed out that the economists in the finance ministry concluded their calculations later than others. They had later Swedish and international figures to work with. That was also mentioned at IER as a reason for the disappointment with IER's December report.

Ulf Jakobson at SAF [Active Real Estate Brokers Association] said that Feldt's prognosis for Sweden assumed relatively favorable international developments, and he had no objection to that. Most indications are that internationally 1986 will be a rather good year.

As to the particulars of Feldt's figures, there were many question marks. Olle Djerf at PK Bank and several of his colleagues wonder how the finance minister concluded that housing investments will only decline by 2.1 percent. They believe that is excessively optimistic.

The same was said of the assumption that business investments will continue to grow. Lars Jacobsson at Handelsbanken and Olle Lindgren at S-E Bank also doubt that exports will continue to rise, in any case by as much as 4.5 percent.

Hard Braking

"It is difficult to see where the demand will come from," said Olle Lindgren, who predicts hard economic braking in the entire OECD area from 1985 to 1986.

P-O Edin and Lars Jakobsson both doubt that unemployment will be held at last year's level, 2.9 percent, by the policies mentioned in the financial plan.

Kjell-Olof Feldt confirms in his financial plan that existing wage agreements plus wage glides at the same level as last year will put wage cost increases for 1986 at 5.5 percent, highest in our part of the world.

"That is just a confirmation, not a prognosis and not a government position as to what it wants as the outcome of the 1986 wage negotiations," he stated at an advance presentation of the financial plan. The participants themselves must decide how much they want their competitive ability worsened.

"One thing we can do is to draw in purchasing power. In the budget bill we are counting on 'noninflationary wage increases.'" said Feldt.

The financial plan states "if wage developments in the municipalities, businesses and other areas should depart from what is desirable, the government will not hesitate to take corrective measures."

Wage Freeze

Several of the economists with whom DAGENS NYHETER spoke interpret this as meaning that the government assumes that there will be no new wage increases this year in the negotiations which will now take place. With a wage freeze in the offing, the rest of Feldt's prognoses can hold. Then they should also be able to bring interest rates down so that the assumptions about investment will come together.

"We assume that those responsible will firmly hold wage costs in check, and that the negotiations will be extended. But does not this require the intervention of the Fiksdag and the government?" wondered Ola Virin.

"It is not realistic to expect that wage cost increases will be held down to 5.5 percent in the usual wage negotiations. Then we must legislate a wage freeze," said Lars Jakobsson.

"It can only be hoped that the wage assumption is realistic, but 5.5 percent is a very, very optimistic figure," said Hubert Fromlet. Olle Djerf did not think it was realistic either.

Does Not Go Together

"The government points out in the financial plan that there is room for increased real income," said P-O Edin. "The important thing for us is that the wages of LO members rise. We would like a low agreement to save our competitive ability.

"But if inflation gets to 5 percent, it will not do to raise real wages with an increase of 5.5 percent before taxes. It remains to be seen whether inflation will be lower or to do something about the taxes. Otherwise it will not go together."

"The financial plan is unclear on this point," also said Roland Spant. "With a 5.5 percent wage increase, 5 percent inflation, and without indexed tax scales it will not be a real wage increase, and therefore there will not be an increase in consumption as assumed by the government.

"As it looks today, the assumptions about both the 5.5 percent wage increase and the 3-year agreement are unrealistic. One should ask himself if the government has any surprises in its back pocket which it hopes to present at Rosenbad on Monday."

And finally statements by two economists who did not want to be quoted by name: "1986 will be a beastly good year for the Swedish economy." "The government has rotten luck."

Rift With Union Movement

Stockholm DAGENS NYHETER in Swedish 12 Jan 86 p 16

[Article by Bo A. Ericsson: "Stock Market Excitement Shakes Social Democracy." First two paragraphs are DN introduction.]

[Text] Excitement and champagne on the stock market and short shrift for the wage earners--now criticism of the government is growing within the trade union movement and in the broad social democratic groups. The policies of distribution must be restored and prioritized--that is the demand.

Now the Social Democrats will try to strengthen their grip on the voters, mainly in the large cities. The party organization will undergo an extensive rearmament and expansion, both politically and organizationally, and local responsibility will be increased. The goal is, among other things, within the next 3 years to double the number of social democratic associations and clubs.

At the same time study activities will be reviewed and expanded, as will the cultural activities, local action programs will be set up, increased inputs made of information and opinion forming in housing areas and at work places, using among other things short range radio.

The opening gun for this rearming will be fired at a large ombudsman conference at the end of January, when the campaign will be outlined and discussed. The largest effort will be drawn from the worker municipalities--in every one a special working group will be established.

This offensive, which is based on a decision of the party congress, is beginning in a situation where the government has begun to run into growing criticism from broad social democratic groups and in the trade unions.

Low Wage Earners

What has happened is a change of mood. The central question is dissatisfaction with the distribution of incomes and power, the obvious growing chasms in society.

Among Social Democratic sympathizers out in the country there is a growing uncertainty about where the party stands and where it is going. Especially the low wage earners, who are not always aware of the policies of the party.

From the trade union movement within LO the tone has gradually become grim. After most of the loyalists supported the government since peace was arranged in the "War of the Roses," LO chief Stig Malm went on a sharp attack against several of the provisions of the budget when it was presented at the end of the week.

Among other things Malm, together with a number of union leaders, was very critical of the government for not raising unemployment compensation even up to the level of the social contribution. Something has gone awry in the distribution policies, and it must now be set straight, said the LO leader.

It is primarily a number of events in recent months which has led to the change of mood, at least in parts of the Social Democratic Party. Party functionaries and union representatives have gradually seen them come forth.

More Getting Contributions

The election in September--with the slogan "Sweden on the right road"--surely ended with a social democratic victory, but hardly an overwhelming one.

The party went backward in the municipalities, and experienced several severe losses, for example in Malmo.

This raised questions and wonder.

So, at the end of October, it was disclosed in these columns that the number of recipients of social contributions--despite the good times and contrary to current patterns--continued to grow during 1985, that they now reach fully 550,000 and that a new poverty, according to the judgment of social workers, is being permanently established--at the same time as the number of millionaires is growing.

At meetings out in the local social democratic clubs the question was immediately asked: "How can this be allowed to happen in a social democratic governed Sweden?"

A month later the so-called Leo affair exploded. An exclusive group director gained many millions in profits in a directed new issue of shares.

Again the question was asked in social democratic clubs and associations, "How can this take place here?"

'Lose the Election'

Now the government reacted and established an investigating commission. At the same time the head of LO, Stig Malm, came out in an interview in the social democratic newspaper AKTUELLT I POLITIKEN with the demand that the party must now start a new program and present "a vision of justice."

Malm also claimed that a new low income committee must be created. If our distribution policies can not be corrected we will lose the next election, he said.

During the past week these critical views were expressed further, not only in the social democratic clubs and LO unions but also among civil servants.

Two things happened:

First the stock exchange set new records following the swindling affair and ecstasy broke out. On a single day the total value of the stock market rose by a nearly unbelievable 85 billion kronor since October.

That is, in pure numbers, almost precisely what the Swedish social security system cost, read in terms of the appropriation for the social department (84.5 billion).

Several days after the champagne ecstasy at the stock market and the moods it created came the new budget:

Contrast

It contained neither gold nor green forests, and the contrast with the stock market was striking. The message was brief and strong: wage earners must show continued restraint and accept a very small pay raise.

Union representatives across the country say that this is not easy to explain. Their already pressed general membership finds it difficult to understand why it is forced to hold back, when there are obviously wealthy resources in other parts of society.

And from Stig Malm and a number of union leaders came, as we said, a grim criticism: The budget must be revised, with Feldt's figures our groups get no real wage increase, and we must have one now. We have stood back long enough.

There is also irritation within the civil service groups.

Sture Nordh, chairman of The National Association of Local Government Officers said:

"Today there is increased unrest over the distribution policies which cuts deeply into the membership.

"Among our members today there is an entirely different militancy than there was before the last two wage negotiations because of the tremendous redistribution which is taking place in incomes and wealth. That mood can influence the wage negotiations."

Drowned

It is against this background that the wage earner organizations--together with the employers--will meet on Monday with finance minister Kjell-Olof Feldt to discuss the wage negotiations. The opinions of the members that they will represent are complicated, irritated and provoked.

Leading Social Democrats say that the government's dilemma in this situation is that they are not able to claim a just distribution and social justice alongside the harsh economic policies that it is necessary to follow today.

Distribution and justice questions have almost drowned in crisis policies. At the same time these have achieved clear success.

In the party leadership they are not unaware that everything is not all right. Party secretary Bo Toresson said in an interview in LO-TIDNINGEN just before Christmas that the party had lost some of its popular sensitivity and was

running the risk of becoming petrified. "We don't exactly know how our voters feel," he said.

Bo Toresson now tells DAGENS NYHETER: "These shortcomings will be corrected. The answer is the rearmament that we are now beginning. It will bring distribution policies back to the center. Now we are looking to the future."

Commander's Military Request Intact

Stockholm DAGENS NYHETER in Swedish 10 Jan 86 p 13

[Article by Sven Svensson: "Conscripts Get Increase". First two paragraphs are DN introduction]

[Text] The defense budget contains no great surprises because it is not desired to forestall the 1987 Defense Decision. The program plan of the OB [Supreme Commander of the Swedish Armed Forces] will therefore largely be approved.

Conscripts going through basic training will have their pay increased by one krona per day beginning 1 July 1986. This was recommended by Minister of Defense Roine Carlsson on the title page.

A total of 24 billion is assigned to military defense and barely 2 billion to civil defense activities.

Daily pay for conscripts beginning 1 July will be 26 kronor per day, compared with 25 kronor previously. After 230, 300 and 360 days of service there are increases of 15, 30 and 60 kronor respectively.

The separation bonus is increased on 1 January 1986 from 2,000 to 2,500 kronor.

The maximum amount of the need-proved family allowance is increased by 290 kronor per month for a wife and 370 kronor per month for children. The maximum amounts will then be 2,150 and 1,225 kronor respectively.

The current maximum amount for businessmen of 400 kronor corresponds to the needs of most businessmen, but the maximum amount should still be raised to 1,500 kronor per day. The total increase in the social costs for conscripts will increase by about 60 million per calendar year.

The defense appropriation is marked by the fact that budget year 1986/87 is the last year in the 5-year defense decision. No steps are recommended which will influence the 1987 defense decision.

OB's Plan Approved

The program plan which was presented by the OB was largely approved, but the requested ordering authorization for procurement of new material was reduced somewhat to increase freedom of negotiation.

Expansion of the antisubmarine effort will continue as planned. But for the first time in the 1987 defense decision the long range direction of the antisubmarine effort will be decided.

The JAS project will continue as planned, but certain costs have risen. In the price situation in existence in February 1985 the material costs for the project were reported at 39.9 billion, and savings are necessary. Reduction of series deliveries and delay of a new training plane are measures which must be considered in the 1990's.

The pilot question is also important, partly because of departures to civil aviation. The civilian pilot training school for commercial pilots will take in 30 students at the beginning of 1986 and the same number at mid-year. In budget year 1987 the admission of combat pilots will also increase from 35 to 40 students.

Early departures of other categories of professional officers are also troublesome. The number of reservists will increase by 200 in the higher grades and by 430 in the lower grades.

The defense minister especially emphasized that refresher training is necessary within the defense forces in order to create credibility. Fully 100,000 conscripts will be called in for such training during the year.

Within the civil defense the Central Committee for Economic Defense is the central authority, and on 1 July 1986 its name will be changed to the Central Committee for Civil Preparedness. At the same time the National Rescue Authority will become the Central Committee for Protection of the People and Rescue Service in Peace and War.

The Home Defense Organization on 1 January 1987 will consist of 8,000 home defense groups of 3 persons each and 100,000 volunteer home defense representatives. Rescue groups with dogs will also be part of the organization.

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